# The COMMERCIAL a FINANCIAL

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### EDITORIAL

### As We See It

### THE YEAR AHEAD

In its review of the outlook for the year 1958, appearing in this column on Jan. 16 last year, the Chronicle remarked that it was "troubled less about whether recovery will take place than about whether it may be induced by forces essentially artificial in nature which may well leave us vulnerable to far worse difficulties than any that we have experienced to date." Increased government expenditures and swollen deficits, particularly if they are financed by sale of obligations to the commercial banks, were cited as factors all too likely to have untoward results in the long run. It is now well known that recovery did take place more or less as expected by nearly all prognosticators at the beginning of last year. It is now also clear that reckless government expenditures and a huge deficit have left their impress upon the economy of the country.

The vital question now is not whether business will continue to improve in the months ahead, but whether the fiscal looseness of 1958 and 1959 will place their ugly imprints upon the year ahead; whether our failure to insist or even permit the recession to do its normal work of eliminating maladjustments will linger to plague us this year; and whether the Congress, many members of which seem to believe that they have received a popular mandate to out-New Deal the New Deal, will make matters still worse by policies and programs which can not fail to do infinite damage at one time or another, whatever may be the results within the relatively short period of a year. The frequently repeated screams about the

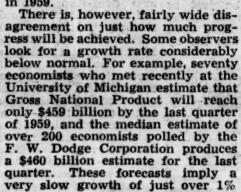
### What Business Must Do to Curb Inflation, Instability

By CARROL M. SHANKS\* President, The Prudential Insurance Co. of America

Insurance head sees economy moving forward, but not without major economic problems requiring solution, and suggests what businessmen should do to help curb inflation and lessen undesirable swings in output. Mr. Shanks submits government's inability requires business to take direct action; rejects the argument we cannot achieve both high employment and stable prices; and cites as an example of hardening of business arteries in the insurance industry the resistance to Variable Annuities. Proposes non-emotional approach to capital outlays, cooperation in restrictive credit policies; and increased efficiency, productivity, volume operations and competition in labor and in business.

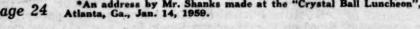
We are starting a year which promises to be a prosperous one. Most economists and businessmen seem agreed that output, employment, and incomes will continue to move ahead

in 1959.



during the year. Our own economists at Prudential are considerably more optimistic, and I believe their expec-

Continued on page 121



### **Business and Finance Speak** After Turn of the Y

As is our usual custom, THE CHRONICLE features in today's ANNUAL REVIEW AND OUTLOOK ISSUE the individual opinions of government officials and of the country's leading industrialists, bankers and financiers as to the probable trend of business in the current year. These forecasts, written especially for THE CHRONICLE. provide the reader with up-to-the-minute official pleus as to the indicated course of business in all industries. The statements begin herewith-

#### HON. STYLES BRIDGES U. S. Senator from New Hampshire

The key legislative problem of the 86th Session of the U. S. Congress will be that of handling matters dealing with the national economy. On how well the problem is

resolved depends the future not only of this generation but of generations to come in this country. The situation could not be stated any more clearly and dramatically than in the words of President Eisenhower that "there can be no real national security without fiscal stability" stability."

We have already noted the Pres-We have already noted the President's particular and thoroughly justified concern with the problem of fiscal stability when he recently came out with his proposal for a balanced budget even before the traditional budget message which usually comes shortly after the convening of the new Congress Despite the bags. the new Congress. Despite the basic good health of the national economy

with predictions of a record-breaking gross national product and an increase of individual productively after several static years, there are increasing signs of impending economic illness.

Inflation continues not only to plague us but the cumulative effects of the creeping inflation which we have experienced are beginning to be left. In contemplation of that situation, the inflationary pressure of Government

Continued on page 30



\*An address by Mr. Shanks made at the "Crystal Ball Luncheon", Atlanta, Ga., Jan. 14, 1959. Continued on page 24

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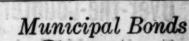
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### The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the coun participate and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

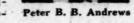
PETER B. B. ANDREWS

Economic Consultant Fairlawn, N. J.

National Rubber Machinery

I select National Rubber Ma-

chinery stock, listed on the A m erican Stock Exchange. This stock now isselling around 23, but it sold at 341/2 in 1956, and I look for its return to this price of 341/2 and higher, for the following reasons: The rub-



ber industry was very hard hit in the latter part aggressive, efficient holding comof 1957 and the first half of 1958, pany, which paid considerably with the consequence that spending for capital equipment by the rubber industry dropped sharply. This caused operations of National Rubber Machinery to drop to deficit levels, with resultant dividend omission. Now, the cycle of the rubber industry is very successful way possible to make strongly upward, and National the stock worth more than the Rubber Machinery's earnings uppresent price around 23. If Amerswing is likely to be just as ican Seal-Kap should want to strongly intensified on the upside sell its holdings, it would aim to as it was on the downside when strongly justify a considerably the rubber industry was hit by higher price for National Rubber the rubber industry was hit by recession.

Every authority on the rubber industry is agreed that the rubber porate developments being worked industry faces an excellent year in 1959. For example, E. J. Thomas, Chairman of the Board of Goodyear Tire & Rubber Co., says that the rubber industry will have its highest volume of sales in history in 1959, exceeding even the year 1956, when National Rubber Machinery stock reached 34½. Moreover, Mr. Thomas, the chief executive officer of Goodyear, says that Goodyear will increase its capital spending for plant and machinery to \$70,000,- orders materially. 000 this year, up a minimum of \$10,000,000 over 1958. National try, will be a major beneficiary. supply, and it can be bought in tractive quality-type growth Other leading authorities of top adequate amounts for those in-stocks in the current market. rubber companies make similar bright forecasts for the rubber industry in 1959. They include Harvey and Raymond Firestone, Chairman and President, respectively, of the Firestone Tire & Rubber Co., H. E. Humphreys, Chairman of U. S. Rubber; J. W. Keener, President of B. F. Goodrich, as well as Ross Ormsby, President of the Rubber Manufacturers Associaiton. Such renowned authorities as Prentice-Hall and McGraw-Hill also see big gains for the industry in 1959. McGraw-Hill, leading analyst of industry equipment expenditures, estimates a 20% jump in spending for new plant and equipment by the rub-

With all the bad news out and much good news on the National Rubber Machinery Co. likely to break in 1959, the stock's price should soon assume an ascending curve, likely to rise steadily throughout 1959. The company is in very strong financial condition, with current assets of \$5,650,000 more than eight times current liabilities of \$660,000. Cash and equivalent alone are more than twice all current liabilities. Financial strength indicates a quick resumption of dividends as earnings improve. The company's earning power under good rubber

ber industry in 1959.

industry conditions is shown in Allied Chemical Corporation the fact that per-share earnings were \$3.53 in 1956, \$3.25 in 1955, and \$2.70 in 1954. In 1957 they For outstanding capital gains were \$1.01 and in 1958 there was potential, likely to out-perform the market as a whole in 1959, should see a rapid regaining of a deficit, but the current year should see a rapid regaining of high earning power.

National Rubber Machinery Co. is a generous dividend payer under favorable earnings conditions, and a restoration of dividends to the \$1.50 annual rate of 1956, will be within easy reach on the prospective improvement of earnings. Capitalization is simple, with long-term funded debt at \$2,280,000 and common stock at only 205,000 shares. Slightly over 50% of the common took is common took in the common stock is common took in the common stock is common took in the common took is common took in the common took in the common took is common took in the stock is owned by American Seal-Kap Corp., which now is helping effectively to diversify and en-large company activities. The American Seal-Kap Corp. is an more than present prices for National Rubber Machinery stock in obtaining control-and even if it did not intend staying in National Rubber Machinery, it would be likely to build National Rubber Machinery's operations in every ican Seal-Kap should want to Machinery stock than now current. One of the interesting corfor National Rubber Machinery -in keeping with the space-age trend of the times-is a machine for the extrusion of solid propellants for missile fuel. A commercial and household rubber garbage - disposal unit has attained exceptional success already, ranking as the best in the field. And, a new process for the bagless curing of tires is expected to increase the National Rubber

listed on the American Stock Ex- and; (3) new capable and aggres-Rubber Machinery, the chief change, is not an active stock, sive management, I regard Allied equipment supplier to the indus-but it has a considerable floating Chemical as one of the more atbut it has a considerable floating Chemical as one of the more at-

This Week's Forum Participants and Their Selections

National Rubber Machinery Co .-Peter B. B. Andrews, Economic Consultant, Fairlawn, N. J. (Page 2)

August Huber, Partner, Spencer Trask & Co., New York City. (Page 2)

terested in a capital-gains cyclical situation with definitely outstanding potentials for 1959.

AUGUST HUBER

Partner, Spencer Trask & Co., New York City Members N. Y. Stock Exchange

Allied Chemical Corp.

This article briefly touches the highlights on Allied Chemical Corporation. Currently selling around 94, these quality shares are still well below the 1956 high

price of 1293/4. Earnings have trended downward from a peak of



\$5.44 p e r share in 1955 to an estimated \$3.35 persharein 1958. I believe the company's basic earning power has been increased by a combina-

tion of new plant facilities, new processes and new products. Also, the indications point toward improved operating efficiency in the years ahead. I am impressed with the basic managerial changes and the progressive policies adopted.

The present view of future earnings envisions a favorable growth pattern which runs about like this-for 1959 between \$4.25 and \$4.50 per share against about \$3.35 in 1958; for 1960 between \$5.50-\$6; by 1963 around \$7 per share and a later potential of about \$9 per share.

The present regular dividend rate is \$3 per share.

Considering (1) the shares at Machinery Company's equipment 94 are well below the earlier peak National Rubber Machinery, growth pattern of earning power

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### **SECURITIES** OUTLOOK

The January issue of our timely survey assesses business prospects for the new year, together with a selected list of securities with attractive investment possibilities for 1959. Each month our Research Department discusses in this publication topics of special interest to serious-minded investors.

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# **Notes**

### INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Trader's Association of Philadelphia will hold their 35th Annual Mid-Winter Dinner on Friday, Feb. 27, 1959, in the Grand Ballroom of the Bellevue-Stratford Hotel.

### BALTIMORE SECURITY TRADERS ASSOCIATION

The 24th Annual Mid-Winter Dinner of the Baltimore Security Traders Association will be held at the Southern Hotel on Friday, Jan. 16, at 7:30 p.m.

Dinner will be preceded by a reception beginning at 6:30 p.m. Tariff for guests is \$14. Dinner tickets may be obtained from David Pindell, Lockwood, Peck & Co. Room Reservations should be made with Jack Wallace, Baker, Watts & Co. Harry J. Niemeyer, Robert Garrett & Sons, is Chairman of the Entertainment

SECURITY TRADERS ASSOCIATION OF NEW YORK

Members of the Security Traders Association of New York are urging their members to make a contribution to the Wall Street Industries Blood Bank. The Red Cross Blood Mobile will be at the Sub Treasury Building Jan. 19 and Jan. 20.

Members of the STANY Blood Bank Committee are Andrew Blank, P. F. Fox & Co., Inc.; Joseph Conlon, Grace Canadian Securities; Joseph Dorsey, Bache & Co.; Charles O'Brien Murphy III, Pearson, Murphy & Co.; and John J. Meyers, Jr., Gordon Graves & Co.

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### The Business Environment Ahead

By ROY L. REJERSON\* Vice-President and Chief Economist Bankers Trust Company, New York City

In arriving at a tentative forecast of \$470 billion GNP for 1959, Dr. Reierson directs attention to certain imponderables which could create troublesome problems for business and the economy as a whole. The banker-economist perceives future disturbances arising from deep-seated and insistent inflationary tendencies; finds it paradoxical that a step-up in business activity could spread inflation and thwart economic growth; and confesses difficulty in trying to reconcile the thesis that inflationary pressures stimulate economic growth with past half-decade's apparent below average economic growth rate: Believes management faces prospect of serious labor troubles and demands; and notes worsening U.S. world market competitive position affecting dollar's acceptability and Treasury. financing problems.

since last April, and while some slowing down in this rate of climb is to be expected, there have been no important signs of faltering so

The present high state of business confidence derives much of its strength



from the good account given by though the heavy goods industries, ahead. which had been especially hard hit last year, are still operating ernments for highways, schools, significantly below their previous peaks, total industrial activity by the end of 1958 had regained practically all of its previous decline. In fact, the gross national product in the final quarter of 1958 was estimated at an annual rate in excess of \$450 billion, which in current dollars is nearly 2% above the pre-recession peak, but this increase from the former high mark reflects the advance in prices rather than physical volume; "real" output probably did not exceed the all-time record.

In 1959, however, new peaks are in sight for most of the important indicators of economic progressindustrial activity, construction, and retail trade as well as personal income and business profits. Moreover, despite some very real problems that confront the business community, prevailing opinion is that the basic direction of the economy will remain upward in the year ahead.

### The Stalwart Supports

Underlying the general expectation of a higher level of economic activity in 1959 is the stalwart support provided by two major sectors of the economy—consumer

\*An address by Dr. Reierson before the Chamber of Commerce of Greater Philadelphia, Philadelphia, Pa., Jan. 7,

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The American economy enters spending on nondurable goods and 1959 in the midst of a vigorous re- services, and outlays of state and covery. Industrial production has local governments - which have been advancing month after month been fairly immune to business recessions in the postwar years. Since these two categories of demand account for about two-thirds of the total output of our economy; their persistently rising trend furhishes a strong underpinning to business when more volatile forces falter, as they did in 1958, and reinforces the outlook when the upward movement is resumed.

Consumer spending on nondurable goods and services, taken together, did not sag even when personal income and employment were declining during the reces-sion. Moreover, by the final quarter of 1958, such expenditures were setting new records - some 5% ahead of their pre-recession levels. the economy in coping with the Population growth, advancing emrecent recession. While the busi- ployment, and rising incomes ness setback of 1957-58 was the make it reasonable to expect these severest in 20 years, it was also outlays to continue to climb fairly one of the briefest on record. Al- consistently throughout the year

Outlays by state and local govand other community facilities likewise are in a steadily mounting trend. Contrary to some expectations, this trend was not slowed by the impact of the recession upon tax receipts; if anything, the pace has guickened with the Federal highway program and increasing budgets for other public works. Admittedly, these budgets are not immune to rising construction costs, financing problems, and the like, and as such expenditures reach ever greater amounts, their sensitivity to general economic conditions may increase. For the immediate future, however, the direction seems firmly upward; together with the prospective growth in the consumer sector, this provides a solid if unspectacular push toward higher economic activity in the year ahead,

### The Volatile Demands

In principle, whether the upward push imparted to the economy from these consumer and public works sectors is enhanced, moderated or conceivably even reversed depends upon the aggregate behavior of the more dynamic but also more unpredictable onethird of our national output that is determined by private investment decisions, consumer buying of durable goods, Federal spend-

Continued on page 119

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#### **BUSINESS AND FINANCE SPEAKS AFTER** THE TURN OF THE YEAR

Starting on the cover page of today's ANNUAL REVIEW AND OUTLOOK ISSUE, we present the opinions of leaders in Government, Industry and Finance regarding the outlook for business in 1959. [Commentaries which could not be accommodated in today's issue will be given in the issue of Jan. 22.—Editor.]

In the SECOND SECTION of today's issue will be found our usual tabular record of the high and low prices, by months, of every stock and bond issue in which dealings occurred on the New York Stock Exchange during 1958.

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# Observations . . .

By A. WILFRED MAY

#### MERELY A FRAME OF REFERENCE

body of legitimate and semi-legitimate speculators, bankers, and

economists had reasonably sane ideas about speculative principles and the status of common stocks. Scarcely four years later, however, thesesame individuals had become so hypnotized and anaesthe-



A. Wilfred May

Speculative Show that they worshipped all kinds of glamorous beliefs and fantastic excuses for the market's excesses; theories which they would have laughed at

four years previously. "Here are a few examples of some of these romantic 'New Era' beliefs, their economic justification indefensible, but embraced by bankers, economists, and 'legitimate' speculators, as well as by gamblers; and for that reason all stimuli to the speculative orgy.

#### That New Era's Credo

"It was believed that:

"(1) Common stocks of wellmanaged corporations were always a buy at any price.

(2) All that a buyer had to do to achieve success was to buy and hold.

"(3) Common stocks were not speculative at the time-that borrowing money at 12% to buy student of the psychology of stocks yielding 2% was investing. speculation, not of economics."

"(4) Certain groups of stocks had a tremendous 'scarcity value.' (Ex., it was imagined that it would soon become impossible to ready selling at 100 times earn-

ings, at any price.)

ings by some arbitrary figure ranging anywhere from eight to 40, depending on the industry.

"In the years of speculative "(6) Because the United States calm, 1923, 1924 and 1925, the is a marvelous country, leading common stocks should always be bought for the 'long pull,' and that borrowing money for the pur-pose was no different than borrowing from the commercial bank in the conduct of a business. that wholesale financing through common stock offerings and tre-

accrued to a stockholder when through the issuing of 'rights' he was permitted to pay into his cor-poration additional funds for more stock at a price less than the prevailing market for the former lesser number of shares outstanding.

"(9) An important insurance of the safety of the market price level was the investment trust which was expected to stabilize the market and prevent any important deflation.

"(10) Large margin requirethe more dangerous as effective ments would prevent any wide or disorderly decline.

"How the above gospel could have been widely accepted may be difficult to comprehend now; just as the history of the South Sea Companies, the Mississippi Bubble, Holland's Tulip Boom, the California Gold Rush, and our recent (and now again) Florida Land Boom now seem to us the picture of lunacy. They are all quite easily understandable to the

#### Source and Purpose of the Quotation

The above depiction of the New buy utility stocks, which were al- Era thinking of those Boiling Twenties is quoted from the writer's thesis for the Master of (5) To evaluate stock prices, Arts degree at Columbia in 1932 all one had to do was to multiply analyzing the preceding epochal actual or prospective 1929 earn- stock market boom and crash. Our

present purpose is not to imply the necessary recurrence of a market collapse-or even the timing of a major reaction. Nor is it intended to draw exact parallels between the specific elements ruling then and now (the circumstances attending a boom or a bust never are exactly repeated. For example, it is realized that the credit situation today is markedly different).

But there are some striking analogies, as with the cited split and fund proclivities, and the ancillary Florida land booms—in Miami in the middle and late 1920s, and now again flamboyantly in the Sarasota region. And there is the recurrent tendency to over-sanctify the functions of the stock market, per "(7) A property's value was at the then missioning N. Y. Stock once enhanced by multiplying the paper share certificates which represented it—through split-ups, thesis): "However more described in our stock dividends, etc. mately related to the steady and constructive building up of American business and the maintenance of high American standards

#### For Our Present Orientation

Our purpose is rather to provide a partial inventory of specific similarities and dissimilarities, in lieu of prevalent vague reminiscences of "that 1929 Crash"for use as a frame of reference to appraise present investor attitudes and policies. This should be additionally constructive in highlighting some of the current foibles to be avoided.

present doom-prophesying Cassandras that the Dow Jones Average which collapsed from its 1929 peak of 386 to its July 1932 low of 41, is now, only 30 years later, 52% above that "crazy" boom top. Realization of this should made present-day bulls under the age of 20 feel particularly secure.

#### MORE ON THAT TREK TO WALL STREET -From Rags to Riches

An individual who has moved from the relief rolls to the stock market, reversing the more traditional course, including his own after 1929\*, provides us with mean acquisition date, he would some interesting conclusions about portfolio management. In the press stir over the indictment of

\*Will Mr. Schweitzer be making another return trip to the relief rolls?

### State of Trade and Industry

Steel Production Electric Output Retail Trade Food Price Inde

dence to date is necessarily fragmentary, there would appear to be almost complete agreement among the nation's leading bankers and businessmen that the outlook for the nation's economy in the present year is exceedingly bright. This viewpoint is amply documented in the outlook statements appearing in this, our Annual Review issue. These commentaries, especially written for the "Chronicle," are pre-ponderantly optimistic as to the probable course of trade and industry throughout the year. Particularly significant is the confidence voiced by spokesmen (2) for the steel, automobile and other their key industries, whose output was sharply lowered in the 1957-1958

There are quite a few straws in the wind to indicate that the

Mr. Harry Schweitzer, a 75-year old retired hospital orderly, his alleged market "parlaying" of \$9,-000 of welfare payments into \$21,000 in the past seven years is termed "financial wizardry" and "shrewed manipulation." However, if the gentleman had stuck to his hospital activities In any event, we remind the and eliminated all in-and-out coups for a continued holding of stocks in the Dow Jones Average, his capital would have grown by exactly the same amount. (a performance conforming to much of the funds' performance record.)

The results of this wizard's longer-term holding are likewise interesting. Analysis of his principal portfolio, which we have been privileged to make, reveals that its 12 "imaginative" issues, including such loss-producing "finds" as Sapphire Petroleum and Micromatic Hone, have over the past four years shown an aggregate appreciation of 48% over cost. Had he simply bought the Dow Jones issues on his portfolio's have gained 50%.

So in the case of all categories of investor, we see the difficulty in bettering long-term holding of the name issues.

Despite the fact that the evi- steel market is tightening up, according to the current issue of "Iron Age," which lists some of them as follows:

> (1) A Midwestern mill already is doling out plates on an allocation basis. Another plate mill in the same area is pushing the limit of practical capacity and is getting ready to set new order-to-delivery schedules. One buyer who tried to place January tonnage three weeks ago had his order bounced into February and March. The strength of the market is spreading to Pittsburgh and the East.

> (2) Some mills are warning customers that hand-tomouth buying will be risky business from here on out. They are advising them to order farther ahead or run the chance of being caught short on critical products. Some steel users already have had some narrow escapes.

> (3) Hot-rolled bar demand is picking up. So is the market for oil country drill pipe and casing, and linepipe. Demand for sheet and strip, galvanized sheets, and terne plate is showing steady improvement. Tinplate shipments will more than double in January over a relatively slow December.

> (4) Current market strength is based on moderate inventory building and higher output levels in users' plants. Yet to come is the expected avalanche of orders as a hedge against a possible steel strike at mid-year.

Steel service centers are gradually building their inventories, but not excessively. Some have boosted cold-rolled sheet orders for the first quarter as much as 15% above fourth quarter levels.

More mills are now talking in terms of near-capacity operations at some time in the first half of the year. But it's doubtful there will be an overnight spurt in operations. The buildup of steel production will be gradual. The reason for this is that the mills hesitate to start up additional furnaces until they have orders in hand. They're going to be sure

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We are pleased to announce that on January 1

DONALD WALES

DONALD R. BONNIWELL

JAMES R. CRUTTENDEN

WHITNEY M. SEWART

WILLIAM C. KARLSON

were admitted as general partners

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of the steel market, quite a few steel users are holding back in the placing of orders above their normal requirements. One steel sales Vice-President commented: "They've been in the driver's seat so long they find it difficult to adjust."

Part of the strength of the plate market is due to a buildup in linepipe orders. Some of this large-diameter pipe is fabricated from plate. In the Midwest, linepipe bookings are still gaining. Tank fabricators also are revising their plate orders upward.

The American Iron and Steel Institute announced that the op-erating rate of steel companies will average \*132.2% of steel capacity for the week beginning Jan. 12, 1959, equivalent to 2,123,000 tens of ingot and steel castings (based on average weekly production for 1947-49) as compared with an actual rate of \*129.8% of capacity and 2,085,000 129.8% of capacity, and 2,085,000

tons a week ago.
Output for the week beginning Jan. 12, 1959 is equal to about 75% of the utilization of the Jan. 1, 1959 annual capacity of 147,-633,670 net tons compared with actual production of 73.6% the week before, based on utilization of Jan. 1, 1958 annual capacity of 140,742,570 net tons.

For the like week a month ago the rate was 125.2% and production 2,011,000 tons. A year ago the actual weekly production was placed at 1,538,000 tons or 95.7%.

Index of production is based on average weekly production for 1947-1949.

Automobile production for the week ended Jan. 10 is estimated at 133,390 units the sharp rise over the earlier week's output totaling 97.663 cars largely reflecting the fact that in the latter period the work-week was limited to 31/2 days owing to the New Year holiday.

This week's total will top the 120,184 cars assembled in the comparable week of 1958, when auto makers were starting to cut back output owing to declining sales. However, it is considerably below the 147,357 units turned out in the week ended Dec. 5, 1958, last year's top production week. Most producers are working five days this week.

All Chrysler divisions and the five separate General Motors Corp. divisions are on five-day schedules in the current week. Three of G.M.'s seven joint Buick-Oldsmobile-Pontiac assembly plants are working six days. At Ford Motor Co., four of the 13 Ford division assembly units plan to work tomorrow, as does the Wixom, Mich., Lincoln-Thunderbird plant. Other plants are on a five-day schedule.

American Motors Corp. will operate on a six-day basis during the rest of January, as against the

Studebaker-Packard Corp., where sales are tripling last year's deliveries, is maintaining a 53hour, six-days a week production schedule.

Based on current activity, automobile production for the month of January is likely to reach 560,000 cars. This would be a drop from the 593,778 cars built in December, the best month in nearly two years, but well ahead of the 489,357 units assembled in January, 1958.

Electric Output Resumes Upward

Trend The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 10, 1959 was estimated at 13,554,000,000 kwh., according to the Edison Electric Institute. Output the past week exceeded the level of the preceding week.

For the week ended Jan. 10, 1959 output increased by 11,190,-000 kwh. above that of the pre-

### Business Failures Continue Holiday Decline

Commercial and industrial failures continued down to 169 Manufacturing casualties dein the week ended Jan. 1 from clined slightly during the week
185 in the preceding week, reported Dun & Bradstreet, Inc. At
187, and construction to 24 from
the lowest level since the week
1887, and construction to 24 from
the lowest level since the week
1898, and construction to 24 from
1899, and construction to 24 About one-half as many businesses succumbed as in the similar week of prewar 1939 when the total was in other lines.

a year ago. A decrease also pre- four other regions including the

which fell to 24 from 32 a week reported increases from the preago and 30 last year. Thirteen of ceding week, with the East North the failing businesses had liabili- Central total rising to 34 from ties in excess of \$100,000 as 29 and the South Atlantic to 15

than in the comparable week of edged to 20 from 16. Mortality in last year when 203 occurred, these two groups, wholesaling and

\$5,000 or more dipped to 145 from States where failures dropped to index was 2.7% below the \$6.153 in the previous week and 173 37 from 66. Mild dips occurred in of the similar date a year ago.

they need the added output be-vious week, and increased by 1,-vailed among small casualties, Pacific States, off to 47 from 57. were flour, wheat, fore committing themselves to it. 048,000,000 kwh. above that of those with liabilities under \$5,000, On the other hand, four regions lard, milk, coffee, which fell to 24 from 32 a week reported increases from the pre- and eggs. Lower is against 21 in the preceding week. from 4 Geographic trends from Manufacturing casualties de- the comparable week of 1958 were mixed; five regions reported fewer casualties while four regions had the same or heavier tolls.

#### Wholesale Food Price Index Down Noticeably

There was a noticeable decline bout one-half as many businesses but dips from last year prevailed by Dun & Bradstreet, Inc. Dun & Bradstreet, Inc., fe piled by Dun & Bradstreet, I in the week ended Jan. 6 in the Wholesale Food Price Index, com-

Commodities quoted higher

and eggs. Lower in price barley, hams, belli

The Index represents the total of the price per pound 31 raw foodstuffs and me general use. It is not a c living index. Its chief function is to show the general trend of for prices at the wholesale level.

### Wholesale Commodity Price Index At 1958 Low

The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., fell Continued on page 129

# NATIONAL BANK

DETROIT

### STATEMENT OF CONDITION, DECEMBER 31,

#### RESOURCES

Cash on Hand and Due from Other Banks						\$	392,538,460.61
United States Government Securities							660,681,069.33
Other Securities					diapayeth m		191,913,278.91
Loans:							
Loans and Discounts				\$	539,261,660.80		"yollack applica"
Real Estate Mortgages				17	133,866,299.36		673,127,960.16
Accrued Income and Other Resources .				4	and a fitting of the con-		9,091,775.71
Bank Premises							15,597,874.35
Customers' Liability-Acceptances and Cred	dite		1			15.3	3,976,886.35
in a setting the setting of the setting of the set					10 10 10 10 10 10 10 10 10 10 10 10 10 1	\$1	,946,927,305.42

Accrued Income and Other Resources								9,091,779.71
Bank Premises								15,597,874.35
Customers' Liability-Acceptances and	Cr	edit	s .					3,976,886.35
um Brobleschudellung in 2015 April Alle.							THE PART OF A STATE OF	\$1,946,927,305.42
LI	A	B	IL	I	TI	E	S	Tare vibration of
Deposits:	10%						· Committee of	
Commercial, Bank, and Savings .							\$1,627,638,052.94	
United States Government							83,130,839.20	
Other Public Funds							55,491,668.00	\$1,766,260,560.14
Accrued Expenses and Other Liabilities								28,708,177.37
Acceptances and Letters of Credit .								3,976,886.35
Capital Funds:								a ki pekispone is
Common Stock (\$10.00 par value)							\$ 28,974,000.00	
Surplus			* • or				90,000,000.00	and Rushes
Undivided Profits					8.		29,007,681.56	147,981,681.56
The state of the s			d b					\$1,946,927,305.42

United States Government Securities carried at \$169,193,395.99 in the foregoing statement are pledged to secure public deposits, including deposits of \$11,810,317.78 of the Treasurer, State of Michigan, and for other purposes required by law.

### BOARD OF DIRECTORS

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### East Versus West— The Economic Conflict

By JOHN J. POWERS, JR.\* President and Chairman of the Board Of Pfizer International and Senior Vice-President, Chas. Pfizer & Co., Inc.

A leading international corporation official focuses attention upon the economic implication of the East-West conflict. Based on recent trip to a number of Communist countries, and reports of Russian penetration, Mr. Powers finds no other conclusion than that the Third World War has already started-utilizing a broad range of economic tactics in place of bullets, bombs and battleships. He forebodingly observes we are making the same tragic mistake as when we ignored the clear warning of Hitler; presents a clear program of non-subsidy help to American industry to operate abroad and counter Soviet offensive; and speaks of activities that could lead to a modus vivendi.

ines bits and pieces of inormation bout the growing economic conflict between the East and West. We hear about t on radio and television. **But** what does t mean? How hould we valuate it? et me refer to few such recentheadlines.



#### Finnish Cabinet Forced to Resign As Russians Stall Trade Pact'

Why? A critical 30% of Finland's exports go to Russia. Russia nas seen to this. Now Russia wants a Communist-dominated cabinet even though the Comnunists are in the minority in Finland. This direct intervention nay be the beginning of the end or Finland-yet, not a gun has "Nasser and Arab Countries Enter

#### Russians Trade Machinery and Equipment for Brazilian Coffee"

The Russians do not care whether they ever get coffee. They have never been coffee irinkers. The Russian samovar urns out tea. While we talk bout what to do to help this reat neighbor of ours to the outh, temporarily in the throes of conomic difficulties, quietly and ffectively the Russians begin to

Elsewhere in Latin America, the ame pattern is developing. Earlier his year, while Chile was in dire conomic straits because of a bad opper market at that time, while e re-imposed an old import duty t the very time that the Presient of Chile was preparing to isit the United States, Russia vas offering to buy Chilean coper. In Argentina, the Russians nove in on the most critical point of the economy, oil - offering products in exchange or Argentine wool.

#### Russia Buys Commodity Surpluses

This might be a condensation of nany headlines that have apeared during the past year. The ecent recession in world comnodity markets was seized upon y the Soviet bloc as an opening vedge in making new friends in he one-commodity nations of the vorld, while traditional customrs, such as the United States. fritain and France, were working ff inventories. Russia linked itelf to the economies of a number f countries with unprecedented urchases of wheat from Canada. ugar from Cuba, cotton from gypt, wool from Australia, New ealand and Uruguay, butter from enmark, fish from Iceland, citrus

\*An address by Mr. Powers before the id-year meeting of the Pharmaceutical lanufacturers Association, New York ity, Dec. 8-10, 1958.

Every day we read in the head- fruit from Lebanon-commodities upon which these nations largely depend for survival. Sale of these commodities for rubles leaves these countries with a currency that can be spent only for Soviet

### "Russia Cuts World Metal Prices"

throughout the world, to the detriment of United States and Canadian industry. Russia manipulates down, then up-as if to flex po-There are indications that they platinum, zinc, manganese, ferroproducts, cotton and automobiles.

### peen fired. Trade was the weapon. Loan Agreements With Russia And Czechoslovakia"

You have all read that storyof long-term, low-interest loans to construct socialized textile, glass, sugar-refining, cement and other production facilities. They are providing not only credits but technicians for Russian oil drill- morrow? ing in Syria and Egypt, for a

greatest number of Burmese.

#### "Peiping Moves to Take Over Southeastern Asian Markets From Japan and Britain"

China, already in the first crude but massive stages of industrialization, moves against the West, selectively dumping consumer goods and equipment sorely Britain, and particularly Japan, but she is able to do so because these sales are not made for profit but to achieve political ends.

#### "Moscow Offers a 25 Million Dollar Drug Industry to India"

It is becoming increasingly apparent that the Communists intend to make another propaganda When it suits their political coup in India and elsewhere by purposes, the Soviet bloc coun- stressing seemingly humanitarian tries become commodity suppliers. motivations. Even though Com-Earlier this year, they took a munist nations are currently unsubstantial part of the British able to produce enough pharamaaluminum market away from the ceutical products to satisfy their Canadians, finally forcing a sharp domestic needs, it is evident that decline in the price of aluminum they intend to restrict home connot just in Great Britain, but sumption if they believe the products will serve more important political ends in export markets. In India they are going even furthe price of tin and lead-first ther and are offering to finance, to design, to construct and to inbasic pharmaceutical and chemmay stand ready to do this with ical industry for the Indian Government This offer includes the alloys, and even with petroleum production of life-saving medicines discovered and developed in the privately owned research and production facilities of the West. This type of action presents a threat we have not yet even begun to counter, except to a modest extent through the efforts of U.S. private · industry, · working alone and unaided by our Government. And if this continues, need I ask in what orbit will India be te-

for a Red Chinese highway-build- tional trade and economic patterns ing project in Yemen. And they are as much a sign of war as the are at work in other sensitive shooting in Quemoy and the poareas, too. I need only mention litical maneuvering in Berlin and the Russian-paved streets of the Middle East. The Soviet bloc Kabul, Afghanistan; the Bhilai has clearly demonstrated that to steel mill in India; a hospital, a achieve its political objectives it hotel, an exhibition hall and a will dump, it will sell under cost, stadium in Burma, all strate- it will encourage inflation, it will gically located to be seen by the extend uneconomic long-term, low-interest loans, that it will even build entire industries in countries which are its targets, employing techniques with which private industry cannot possibly compete.

#### Third World War Has Started

I also made a frip to a number of Communist countries this year needed at home in the markets it and I can tell you that that visit, wishes to influence in the ten plus these headlines, and many years just ahead. It is difficult to more, lead me to the inevitable believe that China could undersell conclusion that the Third World War has already started. To think otherwise is a tragic illusion. Shooting may well have become a minor technique of modern warfare, a diversionary tactic. Economic forces, which have always been the underlying cause of war, have become, finally, the very instrument of war. Certainly, we deceive ourselves in referring to this as a "cold war." It is the Third World War, utilizing a in place of bullets, bombs and battleships. We are not in the midst of a series of irritating trade in war itself. Our property, our liberty, our very lives are as much at stake as they have been in any shooting war of the past.

And why not? Down the miliroad in the past, Russia and China litical and economic muscles itiate the operation of an entire risk defeat or stalemate, with consequent economic disaster and the collapse of their dream. But to multiply these seemingly small all-out warfare holds great promand Mao.

Let's look at this new competi-These and many other Com- shareholders. He has virtually no recent months that the major

Czech ceramics factory near Cairo, munist efforts to disrupt tradi- selling costs. He is not concerned with the law of supply and demand. He fixes his own labor rates. He manipulates the selling price of his product to suit political ends. He has at his disposition all the inventions of the West. Russia and China do not believe in patents.

#### Threat That Is Posed

And the threat he presents is not based on the fact that he may cut a price or engage in barter, or that he will extend loans. We do these things in the West. The threat arises because he is operating outside of the known and accepted economic laws within the framework of which the free economies of the world have developed. His role is not that of a private competitor but of a government with a comprehensive plan of attack. Indeed for the Communists, government and industry are one and, unless we soon match this enforced union by an effective free association government and industry, we will lose the fight.

In the 1930s, we ignored the clear warnings of Hitler in Mein Kampf. In the '40s, we disregarded the blunt declarations of Stalin. Are we now making the broad range of economic tactics same tragic mistake by dismissing the blatant threat of Khrushchev when he says:

"We declare war upon you in problems between wars—we are the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this tary road, as we have known that and it will prove the superiority of our system."

In these concluding moments of our panel today, my objective has been to focus your attention on the fact that the Third World War conflicts of trade to the level of has already begun. Our disaster at Pearl Harbor left no room for ise for the Communist mind. He debate as to the situation we were thinks that way. Industrialization, in then. But in these times we increased production, economic may never know what hit us undomination, have always been his less we are somehow able to adfirst objectives, from Marx through just our thinking to the grim Lenin, to Stalin, to Khrushchev reality that we are once again at war.

All great wars ultimately betor of ours. With him, industry come a test of the industrial and government are one. He is strength of the adversaries. Our not obliged to show a profit for statesmen have said repeatedly in

### Statement of Condition

December 31, 1958

KESOURCE	
Cash and Due from Banks	\$ 97,764,194.69
U. S. Government Securities	88,621,133.83
State, Municipal and Other Securities	49,508,803.60
Loans and Discounts	173,614,651.19
Accrued Income Receivable	1,248,506.29
Banking Houses	5,223,709.15
to house our entroller and the late,	As heatist and the

Other Assets..... 397,160.74 \$416,378,159.49

LESTER E. SHIPPEE, Chairman RAYMOND C. BALL, President

LIABILITIE	5
Deposits	\$375,524,645.64
Unearned Income	3,672,617.47
Accrued Federal and State Taxes on Income	1,935,356.88
Other Liabilities	2,986,465.32
Dividend Payable in January, 1959	414,000.00
Reserve for Contingencies	500,000.00
Capital Funds:	
Capital Stock \$11,968,750.00 (957,500 shares) (Par \$12.50)	
Surplus 14,000,000.00	
Undivided Profits 5,376,324.18	At the state of the
Total Capital Funds	31,345,074.18
1 0	\$416,378,159.49

Pomeroy Day, Executive Vice President JOHN B. BYRNE, Chairman of the Executive Committee



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strength of the U.S.A. in the economic conflict resides in our private industry and investment. But they have done nothing significant to encourage the use of private industry in this struggle, either not believing, as I propound today, that this is the war, or not really meaning what they say, or a little of both.

In this, the decisive conflict of an era—this 20th Century Arma-geddon which will set the course of history for generations to come —the United States Government seems to be keeping its most vigorous weapon, American private industry, on the shelf while it shoots missiles at the moon-and at industry. The enemy has already devised new techniques for this war, launching a major economic offensive on a world-wide frint while we still seem to be in the perilous position of preparing only for a shooting war that may never come.

#### Suggests Clear, Bold Program

The U. S. S. R. and China are determined to create economic havoc in the West by every possible means, and to win over the neutralist, underdeveloped countries of the world by tying their aspirations for economic growth to Soviet capital goods and technology. In trying to meet this onslaught, the United States finds itself in a dilemma. The government wants to counter the Communist industrialization offensive in the underdeveloped nations, and has the finances to do so but not the technical know-how. We of industry want to participate in the long-range industrialization programs of these countries. We have the know-how but are inevitably limited in the risks which we are entitled to take with our stockholders' money on such eco-nomic battlegrounds. Why can we not get together?

An awakened U.S. Government can offer major help, indeed can make industry a vital part of an economic counter-offensive, by providing funds for long-term financing to American and local industry. This can be done simply by diverting a part of foreignaid funds for such loans. I don't mean subsidies-I mean loans repayable in local currencies from the earnings of local enterprise. Such a program would put goverhment money and industry's manpower, time and skills at equal risk in a free and powerful alliance.

Vigorous new measures like this are necessary to permit and encourage American private industry to counter the Soviet offensive by operating abroad as a major expression of U.S. international policy. The occasional, partial-assistance programs offered industry by our Government are simply inadequate; bold moves are necessary in this type of war. Unfortunately, the Government is meeting the need for imaginative economic policies with businessas-usual banking answers — and that just isn't good enough.

One way or another, the underdeveloped nations will move toward some degree of industrialization. Whether they will have State-owned, socialized industries, built with Communist credit and technical aid, or free local enterprise may well depend upon the decision of our Government to take the fetters off American industry in this economic war.

### A Possible Modus Vivendi

A number of us have visited Communist countries and I urge those of you who have not to seize every opportunity to do so. By meeting the Russian and his allies, we will be better able to gauge their measure, to find clues to their future tactics, and commercial advantage when not in conflict with governmental strategic considerations. It is equally important for whatever hope there may be that more contact at

scientific, cultural and business mayingly effective unity of forces levels could lead to a modus at the disposal of Communist vivendi at least with some parts strategy. of the present Communist bloc.

I have tried to summarize this subject of the economic conflict of East and West, principally for the purpose of bringing it into sharp focus. There is obviously much more that could be said about ways and means of winning this war, but my principal message is that it is a war and that we of industry who under our way of life must march in the front lines of that war, whether we like it or not, need an awakened Government behind us. As individual must pursue every possible course of action to ensure an intelligent and effective free association of Government and industry in this country which will match the dis- Stock Exchanges.

### Joins Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE) ST. LOUIS, Mo. — Michael C. Bastunas is with Fusz-Schmelzle & Co., Inc., Boatmens Bank Building, members of the New York and Midwest Stock Exchanges.

### Three With J. Barth

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. Bryan R. Gentry, Richard S. Rush, companies and as an industry we Jr., and Bernarr M. Wilson are now affiliated with J. Barth & Co., 404 Montgomery Street, members of the New York and Pacific Coast

### **FHLB Reduces Notes**

Everett Smith, fiscal agent of the Federal Home Loan Banks, announced that \$80,000,000 of six month 11/4% consolidated notes of the banks maturing today (Jan. 15) will be paid off without refunding. Retirement of the issue will reduce outstanding obliga-tions of the Home Loan Bank System to \$694,000,000 principal

Retirement, from cash resources, of debt due at this period of the year is the usual practice of the banks because inflow of cash into the banks is substantial and demand for loans smaller during the winter months, Mr. Smith said. The cash inflow, he noted, is due banks of loans made to member Building.

institutions of the Home Loan Bank System.

### French, Crawford Branch

ALBANY, Ga.-French & Crawford, Inc., has opened a branch office at 123 Court Street, under the management of Paul A. Fuller

### Quail Opens Office

DUBUQUE, Iowa—Quail & Co. Inc., has opened a branch office in the Fischer Building under the management of Hendrix Pickard.

### Hall & Hall Adds

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Cal.-John L. Wisner has been added to the staff of primarily to repayment to the Hall and Hall, Bank of America



trip from Norway up the St. Lawrence Seaway to preside over Detroit's new Givic Center.

LEFT: The Spirit of Detroit, an impressive bronze creation by sculptor Marshall M. Fredericks, recently made the long



### STATEMENT OF CONDITION AS OF DECEMBER 31, 1958

### RESOURCES

Cash and Due from Banks	\$156,777,023
United States Government	M.M
Obligations	346,225,378
State and Municipal Securities	99,845,018
Corporate and Other Securities	671,861
Loans and Discounts	195,799,885
Real Estate Loans	140,504,711
Total Loans	\$336,304,596
Other Real Estate	9,439
Federal Reserve Bank Stock	1,631,400
Bank Properties and Equipment	8,577,825
Accrued Interest and	AT TUSTNESS SAMES
Prepaid Expenses	4,562,754
Customers Liability on Letters	and of add of the
of Credit.	171,699
Other Assets	162,610
Total	\$954,939,603
THE MEDICAL PROPERTY OF PRINCIPLE AND ADDRESS OF THE PARTY OF THE PART	

### LIABILITIES

**Demand Deposits:** Individuals, Corporations and

Others..... \$458,628,131 U. S. Government..... 26,793,863 \$498,217,767 Savings and Time Deposits..... 370,698,546 Total Deposits...... \$868,916,313 Unearned Interest..... 4,418,844 Accrued Expenses and Taxes..... 5,871,927 Liability on Letters of Credit..... 171,699 Other Liabilities..... 398,628 Capital Stock (\$10.00 par value)..... 18,378,500 42,000,000 Surplus..... Undivided Profits..... 10,096,214 General Reserves..... 4,687,478 Total Capital Accounts..... \$ 75,162,192 Total..... \$954,939.603

United States Government Securities in the foregoing statement with a par value of \$72,535,000 are pledged to secure public and other deposits where required by law, including deposits of the State of Michigan amounting to \$3,832,320.

# Service Responsibility Experience

As the oldest bank in Michigan with 109 years of continuous service, The Detroit Bank and Trust Company offers many important advantages to individuals, industries, and institutions in the broad scope of its services-developed through unequalled experience and a policy of sound banking and trust practices.

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### Dealer-Broker Investment **Recommendations & Literature**

s understood that the firms mentioned will be pleased to send interested parties the following literature:

Annual Review & Forecast—Bulletin—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis on Duriron Company and memoranda on Metal & Thermit Corp. and Pepsi Cola Co.

Antitrust Policies & Competition—Study—W. E. Hutton & Co., 14 Wall Street New York 5, N. Y.

Atomic Letter No. 44—Discussion of projects for nuclear propulsion of rockets and earth satellites with particular comments on Tracerlab, Inc. and Combustion Engineering-Atomic Development Securities Co., Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C.

Burnham View — Monthly Investment letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available is current Fereign Letter.

Federal and State Stock Original Issue and Transfer Tax Rates -Booklet of current rates-Registrar and Transfer Com-

pany, 50 Church Street, New York 7, N. Y. orecast for Fifty-Nine — Bulletin — Bache & Co., 36 Wall Forecast for Fifty-Nine -Street, New York 5, N. Y.

Graphic Stocks - 1959 issue with over 1,001 charts showing monthly highs, lows, earnings, dividends, capitalizations, and volume on virtually every active stock listed on the New York and American Stock Exchanges covering 12 full years -With dividend records for the full year of 1958-Single copy \$10; yearly \$50 (sample page of charts on request)-W. Stephens, 87-C Nassau Street, New York 38, N. Y.

Holidays in the United States—Booklet listing legal holidays in the U.S. and its possessions-Manufacturers Trust Company, International Banking Department, 55 Broad Street, New York 15, N. Y.

se Stocks — Current information — Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7,

Market Outlook for 1959-Special report with list of 139 selected stocks for investment-Hornblower & Weeks, FC 62, 40 Wall Street, New York 5, N. Y.

Missile Stock - Analysis - Reilly, Hoffman & Co., Inc., 141 Broadway, New York 6, N. Y.
New York City Bank Stocks—Year-end comparison and anal-

ysis of 13 New York City bank stocks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

New York City Banks—Comparative figures on 10 largest banks—Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

1958 vs 1957 — Comparative economic summary in "current comments for investors"—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

1959 Stock Market Outlook-In the current issue of "The Exchange"—Exchange Magazine, 11 Wall Street, New York 5, N. Y.—20c per copy; \$1.50 per year. Also in the January issue are articles on "What's Ahead for the Steel Industry," Stock splits, etc.

Outlook for 1959—Comment by stock groups (Booklet F)—G. H. Walker & Co., 1 Wall Street, New York 5, N. Y.

Over-the-Counter Index-Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 19-year period — National Quotation Bureau, Inc., 46 Front Street, New York

Products and Processes-Booklet A describing developments in alloys, carbons, chemicals, gases, plastics, and nuclear energy—Union Carbide Corporation, 30 East 42nd Street, New

Real Estate Bond & Stock Averages—Comparative figures— Continued on page 139

For financial institutions

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### What Are the Perils and Pitfalls Of Small Business Today?

Professor of Economics, University of Pittsburgh, Pittsburgh, Pa.

Errors of small business, avoidable and unavoidable, are laid bare in order to point up problems of small business and the direction for improving them. In exposing small business pitfalls, Prof. Slesinger places greatest stress on management of materials and manpower.

fineu in terms of numoers of em- managerial control and adminisployees, amount of capitalization, tration. volume of sales, or amount of assets, still

constitutes an important segment of the American business scene. The problems confronting small business en-terprisers especially those concerned with effective management, have been multiplying



Dr. R. E. Slesinger

many fold in recent years.

opportunities in the years immediately following World War II and during the Korean affair, enabled many enterprisers to start concerns and show unusual profit records for a few years. Now, a number of these firms face serious troubles as competition has ures, receiverships, and reorgan-izations among small business firms, and particularly among many that were quite successful just a few years ago, indicates that the underlying cause of these catastrophies has been a failure and in some cases a reluctance -to understand and to apply effective and recognized principles of management. The promoters of many of those concerns that have failed have been wont to blame their lack of success on such external factors as inability to secure working capital and to keep up with the research and development conducted by larger firms,

New Issue

Small business, variously de- unmentioned lack of effective

**Managerial Errors** 

It may be well to ask, what are some of the errors of management that have been committed that have resulted in profitable firms suddenly finding themselves at the brink of disaster? To begin with, it is necessary that the concept of management be interpreted broadly enough by the owners. Too many small firms have relied on "one-man" management. An enterprising businessman, with a good idea and hard work along with good fortune, could build a concern or start one and in the sellers' markets of the period 1945-56 be quite successful. In such a situaany fold in recent years.

tion, all too frequently, this businessman will guard his position of ownership too cautiously. He seldom selects effective subordinates, and when he does, often he vests in them little real authority or responsibility. However, anything that reduces the ability of the owner to function can lead to impending failure. No manincreased both in intensity and agement team or group stands character. The incidence of fail- ready to aid in emergencies. This ready to aid in emergencies. This incapacity leaves the company without direction at the very time that competition is increasing in intensity and more effective managerial supervision is required. Such a situation may lead easily to hard times or the sale of the company under less favorable circumstances.

Another common failing in many small business firms in the past decade has been the flooding of management with many close relatives, often selected and placed into positions of importance without sufficient regard to ability. When it was comparatively easy to sell and production inequitable tax programs, and tively easy to sell and production rising labor costs. But probably was the basic problem, incommore fundamental has been the petence in management was not

All of these shares having been sold, this announcement

appears as a matter of record only. Prospectus on request.

100,000 Shares

Norwalk Tank Company, Inc.

Class A Common Stock (Par Value \$1 per Share)

Price \$3 per Share

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LOCAL STOCKS

The Robinson-Humphrey Company, Inc.

particularly noticeable. But as markets become scarcer and selling more important, the existence of this type of management be-comes burdensome and fraught with financial disaster.

So long as we are on the sub-ject of incompetent management, it is well to point out that within the past few years some enter-prisers who did not possess the technical knowledge to manage properly their own businesses, rode the bandwagon of being able to sell anything. In the more dif-ficult times that have followed, it is little wonder that such enterprisers found it hard to weather even minor business storms.

#### Too Close Control

High among the reasons for failure of management is ineffective communications, whether it be from top to bottom, bottom to top, or at the managerial level itself. It is not uncommon for a small business firm, organized on a personal basis, to try to keep everything "in mind" and on a "personal" relationship in spite of the complexities that develop as production expands, markets grow, and personnel problems multiply. Failure to develop lines of authority and responsibility as well as failure to respect these Continued on page 139

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### From Washington Ahead of the News

Once again, one of the least advertised but highly important issues, the matter of paid-TV is being readied for another go-

around in Congress. The promoters have spent something like \$10 million in an effort to introduce this innovation whereby the customer, by the payment of a fee, would be able to get a preferred program. It would not be



the only thing he could get on his TV set. It would be available on one station. If he wanted the present free programs he would only have to turn on a station that is producing them.

The promoters of paid-TV promise to give shows such as the Metropolitan opera, My Fair Lady, or something equally good and not now available. Manifestly they would have to present something different, otherwise their enter-prise would fall flat on its face.

There are three proponents in the field, the pioneer of which is the Zenith Radio Corp. The other two are Skiatron and Telemeter. Zenith operates through a card which, inserted in the machine through a scrambling process, would bring in the picture. Telemeter and Skiatron would have coin boxes in which the patron would drop the prescribed fee.

The innovation promises to be a big boon to Hollywood and the theatrical talent. But the present radio and TV chains—NBC, CBS and ABC—claimed that it would buy off all its talent and eventually mean the end of free TV.

So far they have been able to block paid-TV through the introduction of bills to prohibit it. At the last session neither House went this far, although both the House and Senate Interstate and Foreign Commerce Committees passed resolutions giving it as the sense of the committee that paid-TV should not be installed until Congress had the time to pass a law regulating it, and asking the **Federal Communications Commis**sion to not grant any licenses until this was done. The Commission had originally ordered a threeyear trial period limited to eight markets with only one station in a market. The three chains fought air with appeals that free TV was endangered. The result was that Congressmen were swamped with letters running into the thousands. The FCC has held up on the trial

Chairman Oren Harris of the House Interstate and Foreign Commerce Committee has introduced a bill at this session which would give paid TV enterprisers one station each to experiment with, but it first bans paid-TV. In other words, the authority of the FCC to order a go-ahead would be taken from it and the proponents would have to come back to Congress for affirmative action. In its present mood they would never get this. Their only chance is to leave the authority with the Commission and at the same time fight in Congress to prohibit any antipaid-TV legislation.

Had such legislation come before the House at the last session, it would have undoubtedly passed, inasmuch as all the members were up for reelection and they were

The expectation is that at this would give it to them. session, if the Harris bill gets to the floor, it will pass the House and again the hopes of paid-TV of the issue one way or the other.

proponents will be in the Senate. After all the matter has been be
If a prohibitive measure is not fore the FCC and Congress for the

Dhile delphia, Pa.) assed by Congress at this session last five years. the FCC has promised that it will go ahead with its trial program. It is difficult to see how anybody could get hurt under this program
but the networks claim the paidTV promoters would be getting City, has been changed to Rocketheir feet in the door. Very likely feller, Williams & Co., Inc. they would, although there are many skeptics as to the feasibility of paid-TV.

It's the old story of the buggy and wagon people who fought the advent of the automobile, or of the with Ellis, Holyoke & Co., First way the newspapers fought the dis- National Bank Building.

being besieged with letters. The semination of news by radio. The Senate is somewhat more stub- entertainment industry needs a born. entertainment industry needs a pick-up and it is claimed paid-TV

> But there will be some shenanigans before the Congress disposes

### Now Rockefeller, Williams

### With Ellis, Holyoke

(Special to THE PINANCIAL CHRONICLE)

GRAND ISLAND, Neb. - Gordon H. Robbins is now affiliated

### COMING EVENTS

In Investment Field

Philadelphia Securities As tion annual meeting and dinner at the Warwick Hotel.

Jan. 16, 1959 (Baltimore, Md.) Baltimore Security Traders Association 24th annual dinner at the Southern Hotel.

Jan. 29, 1959 (Chicago, Ill.) Security Traders Association of Chicago annual winter dinner at the Sheraton Hotel.

Feb. 6, 1959 (Boston, Mass.) **Boston Securities Traders Asso-** ciation 35th annual dinner at the Sheraton Plaze Hotel.

Feb. 27, 1959 (Philadelphia, Pa.)
Investment Traders Associatio
of Philadelphia annual dinner the Bellevue-Stratford Hotel.

April 1-3, 1959 (San Antonio, Tex.) Texas Group of Investment Bankers Association of Amer-ica annual meeting at the Hilton

Nev. 2-5, 1959 (Bocs Raten, Fla.) National Security Traders Association Annual Convention at the Boca Raton Club.

### E. I. Hagen Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon - Edward T. Lord has been added to the staff of E. I. Hagen & Co., American Bank Building.

### Announcing the unification of

Society for savings and Society NATIONAL BANK

# ciety national bank

### OF CLEVELAND



AS another important step designed to provide greater service for Society customers and the growing community we serve, the Board of Trustees of Society for Savings and the Board of Directors of Society National Bank have voted to unite these banks, effective December 31, 1958.

Society National Bank of Cleveland, with total resources of \$391,911,460, thus becomes the 6th largest bank in Ohio and 78th largest among the more than 13,400 commercial banks in the country.

We welcome the opportunity to serve you. Let us put our thorough knowledge of the Cleveland area and complete banking facilities to work for you.

PRESIDENT

### STATEMENT OF CONDITION

December 31, 1958

### RESOURCES

Cash on Hand and Due from Banks. \$ 34,861,587.72 United States Government Obligations. . . . . . . . . . . . . 95,797,588.56 Other Bonds and Securities . . . . 48,888,587.45 204,871,260.90 Loans and Discounts. . . . . . 5,108,292.40 Banking Premises . . . . . . . Other Real Estate Owned. . . . . 8,866.04 Interest Accrued and Other Assets. 2,375,277.83 Total . . . . . . . \$391,911,460.90

LIABILITIES Capital Stock . . . . . . . . \$ 12,000,000.00 18,000,000,00 Surplus. . . . . . . . . . . . Undivided Profits . . . . . . . 1,326,181.67 Reserve for Taxes and Expenses . . 1,102,856.97 Deferred Credits and Other 6,565,421.22 Liabilities. . . . . . . . . . Deposits . . . . . . . . . . . . . 352,917,001.04 Total . . . . . . \$391,911,460.90

> United States Government Obligations carried at \$10,858,963.35 are pledged to secure Public Deposits as required or permitted by law.

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Chairman of the Board

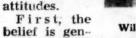
### The Outlook for Business

By WILSON WRIGHT\*

Economist, Procter and Gamble Co., Cincinnati, Ohio

Midwest corporation economist estimates a \$17.2 billion aggregate net increase in business and government expenditures this year, compared to \$18.7 billion in 1955; reveals surveys show consumers and managers are in a relatively optimistic frame of mind; assumes corporate profits after taxes may increase \$5-6 billion over 1958; and accepts premise that overall consumer prices will be stabilized during first part of 1959. Dr. Wright observes from the manner in which recent recovery was brought about that the organization of our economy is being changed; it is held to be no longer a market economy and, thus, poses certain problems.

political functions may be expected to do in the conduct of their affairs. For this reason I begin with a brief reference to the evidence available concerning certain presently held ideas and



erally held that the economy is in the recovery phase of a typical business cycle, and that the recession ended in the second quarter of 1958. This idea has been certified by the recognized authorities on the subject. Because the recovery was originated so recently it may be inferred that it is generally believed that the recovery process will be continued for a considerable period, with a duration similar to that experienced in periods of recovery which are remembered or which may be reviewed in statistical records.

Second, the evidence afforded by the October Survey of Consumer Attitudes, conducted by the Survey Research Center of the

\*An address by Dr. Wright before the Investment Analysts Society, Chicago, Dec. 18, 1958.

I assume that the present prob- University of Michigan under the lem of economic analysis is one direction of Dr. George Katona, of appraising what people per- indicated that consumers expect forming different economic and to increase their expenditure for durable goods. They, also, appear to be more optimistic about business conditions in the next 12 months, but are dissatisfied with the prospect of higher prices. The net conclusion derived from the data seems to be that the attiude of the consumer toward buying is favorable, to the extent that some increase in trade may be expected until consumer attitudes are changed.

> Third, recent surveys of the attitudes of the managers of busito be able to increase their sales. production and profits in 1959. The optimistic attitudes indicated concern about the prospects for crease in Federal expenditure for

> Having established the premise, that both consumers and the managers of business are in a rela- ment outlay, we can establish a tively optimistic frame of mind, tentative estimate of increased and that it is generally believed that cyclical recovery has been \$7 begun and will be continued, we course, must be adjusted when may examine the outlook for the actual actions of the Congress changes in certain major cate- and administration become known. gories of expenditure which are varied when fluctuations in business activity are experienced.

#### Changes in Government Spending

the volume of spending during upon income. the second half of 1959.

We are informed that the adwe are aware that there is a con-Federal expenditure. The variation in such opinions is extremely

Furthermore, there is some control in the sense that any specific group in government actually is held responsible, or accepts responsibility for the conduct of Federal finance in other than a limited technical sense. I will not elaborate upon this subject except to say that in the present situation it appears reasonable to assume that Federal expenditure for goods and services will be increased by \$3 to \$4 billion in the next calendar year.

Expenditure by state and local governments is increased annually. The magnitude of the bond issues, authorized in the last election, supports the assumption that the increase in state and local govnesses indicate that they expect ernment expenditure may be continued at about the high rate established in recent years.

By combining a nominal allowby these surveys are tempered by ance of \$3.5 billion for the ingoods and services, with a projection of an increase of \$3.5 billion in state and local governgovernment expenditure totaling billion. This estimate, of

### Inventory Changes

Business investment in inventories is my second major category of variable expenditure. The inventory statistics which I will We may begin with an exami- use are computed by the Departnation of the prospects for change ment of Commerce. These are in expenditure by the political intended to represent estimates of authorities. In the present the the book value of inventories held magnitude of Federal expendi- by manufacturers, wholesalers ture is yet to be determined. Even and retailers. I have found this the budget to be presented in inventory series to be the most ness, investment in plant and

provide an accurate statement of of changes in inventory policy businesses are looking at cross-

ministration will attempt to re- nor low relative to sales. There fully utilize the plant and equip-duce budgetary expenditure in may be some maladjustment in ment now possessed. It should be fiscal 1960. On the other hand terms of assortment, and the pro- remembered that in 1956-57 the of 1958, probably are neither high portion of finished goods held by siderable division of opinion manufacturers seems to be a little among politicians concerning the on the high side relative to the desirability and magnitude of dif- total magnitude of inventories, ferent programs which require and a little large relative to the volume of shipments.

In the present situation it seems reasonable to assume that no large change in inventory investquestion whether or not Federal ment will be experienced for some expenditure actually is under months to come, unless something unusual happens. Toward the end of the first quarter of 1959, or during the second quarter, business investment in inventories may be increased. The extent to which these may be increased is not predictable in the present.

The effect of inventory policy may be appraised by assuming that inventories will not be reduced in 1959 but will be maintained at the present level. If this premise is adopted the effect of this kind of inventory policy would be to increase gross income payments in 1959 by \$6.7 billion relative to the level of income obtained in 1958. Moreover, if inventories are increased gross income payments will be further increased by an equal amount. This follows from the fact that, when businessmen end a period of inventory liquidation the payments to the factors of production must be larger than those which were made in the previous period even though inventories are not increased. The effect of inventory policy on gross income in 1959, therefore, may be approximately of the same magnitude as the assumed increase in government expenditure for goods and services or even be a larger factor.

Before leaving this subject it is pertinent to note that the recovery of 1958 cannot be attributed to the ending of inventory liquidation. In each month of 1958 to the end of October, the latest month for which data are available, there was a net reduction of business investment in inven-

### Capital Outlays

The outlook for changes in busiequipment may be taken as a third important category of ex-penditure. The McGraw-Hill Fall Survey of the preliminary plans that no large change in business investment in plant and equipment is planned by the firms surveyed. We may infer that the

January cannot be relied upon to useful in appraising the effect managers of a large number of over charts which show that prof-Business inventories, at the end its could be increased by increasing the volume of sales to more expansion of productive capacity apparently was larger than the magnitude warranted by the prospects for sales. And in 1958 the volume of investment has been large enough to enlarge productive capacity.

> In the present excess capacity may be found in a variety of businesses and industries. The magnitude of the excess capacity probably is not extremely large, for such never is the case unless there is a long-continued decline in trade. Yet the fact remains that excess capacity does obtain in the present and that recogni-tion of this fact by the managers of the businesses involved probably will tend to inhibit a rapid expansion of such investment.

The argument that expenditure for research is providing ideas for new products and improved techniques is popular and valid. Businessmen and others have been conducting research for such purposes for a good many decades. Actually the peak in patents issued, on a per capita basis, was experienced about 1917 and has been declining since then. While it is apparent that more attention is being paid to formal research, and more funds are being directed to the performance of this function, our history of research and improvement in technology should not be dismissed by jumping to the conclusion that research is something new and unique, which may be expected to produce a tremendous increase in investment in plant and equipment in the near future. We currently are investing a large volume of funds in plant and equipment and are increasing our productive capacity by doing so.

For these reasons a large increase in the aggregate volume of investment in plant and equipment probably will not be experienced until sales are increased to a level where it is evident that more capacity actually is needed. We may also find that profits must be expanded to the point where an increase in capacity appears justified to the persons who determine such matters.

On the other hand with businessmen in relatively optimistic for the capital spending indicate frame of mind, in the kind of general economic situation which I am describing, it would not be

Continued on page 124

### CONDENSED STATEMENT

### CITIZENS FIDELITY BANK AND TRUST COMPANY

Louisville, Kentucky

December 31, 1958

LIABILITIES  Deposits	
Deposits \$261,944,530.04  Dividend Payment January 2, 1959 200,000.00  Reserves — Taxes, Interest and	
Expenses 2,063,954.20 Interest Collected but rot Earned 1,506,423.81 Letters of Credit Issued 1,825,208.74 Capital Funds: 10,000,000.00 Surplus 10,000,000.00 Undivided Profits 2,620,469.91	
1	Letters of Credit Issued 1,825,208.74 Capital Funds: Capital Stock \$ 5,000,000.00 Surplus 10,600,000.00

Our Trust Department holds substantially more than one quarter billion dollars in Personal Trust Properties which are not included in this statement.



Since 1858 - Kentucky s Leading Bank

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION .

FEDERAL RESERVE SYSTEM

### The FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

Statement as of December 31, 1958 . . . . . . . . . .

RESOURCES	The Review
Cash and Due from Banks United States Bonds	\$ 85,446,002.15 114,014,219.90
State and Municipal Bonds	8,707,963.83
Other Bonds and Securities	4,672,376.53
Loans and Discounts	154,279,376.41
Banking Premises Owned Customer's Liability Under Acceptances	4,097,693.14
Income Accrued Receivable and Prepaid Expense	6,418.50 1,447,750.48
Other Resources	701,380.51
TOTAL	*373.373.181.45
LIABILITIES	13.77 1104
Capital Stock (\$25.00 Par Value) \$11,875,000.00 Surplus \$13,125,000.00	AL MENT SAME
Undivided Profits 5,444,917.33	
Total Capital Funds	\$ 30,444,917.33
Reserve for Dividends, Interest, Taxes, etc	5,028,657.19
Liability Under Acceptances	6,418.50
DEPOSITS:  *Commercial, Bank and Savings	330,837,713.89
U. S. Government	6,987,865.72
Other Liabilities	67,608.82
TOTAL	\$373.373.181.45
	PROPERTY OF THE PERSON NAMED IN
*Includes \$6,195,139.40 of Trust Money on deposit in the ment, which under the provisions of the Banking Law of	he State of Ohio.
Section 1107.12 is a preferred claim against the assets of	the bank.

### Morgan the Most

By DR. IRA U. COBLEIGH Enterprise Economist

A tribute to the most elite, elegant and eminent name in American finance on the eve of the merger of J. P. Morgan & Co., Incorporated, and the Guaranty Trust Co. of New York.

nationally famous banking house of J. P. Morgan." 'How can you tell," piped up a kid from the sticks, "it doesn't say." "It doesn't need to," replied the Ira U. Cobleigh guide. He was

right. Number 23 Wall Street is the most distinguished address, on the best known street in the world.

Since 1873, this storied site has housed the banking firm stemming from the original partnership, J. Pierpont Morgan & Co., formed in 1862. This famed partnership (after two changes in name) became, in 1895, J. P. Morgan & Co., the most respected and influential banking institution in American history. Serving as both a commercial and an investment bank, it was the corporate architect and financial shepherd of such great companies as United States Steel, American Telephone and Telegraph, New York Central, General Motors, Du Pont, Johns Manville, Standard Brands and dozens of others. Pre-eminent in railway finance, the House of Morgan was principal underwriter and syndicate manager in the flotation of billions in railroad securities; and it played a dominant part in the consolidation, merger or reorganization of many of our major transportation systems.

& Co. helped to avert national financial disaster by its resourceful anty Trust Company of New York.

The sight-seeing bus slowly for the United States Treasury; and stared and gaped its way down it stemmed the panic of 1907 by Wall Street. It paused for a mo- assembling the cash to sustain ment in front of Number 23 while the solvency of certain New York the guide in- banks.

toned: "On As banker to the British Govthe right you ernment and fiscal agent for the see the inter- French during World War L. J. P. French during World War I, J. P. Morgan & Co. arranged for the purchase of over \$3 billion in war supplies. In the 1920s J. P. Morgan was the major underwriter, responsible for distribution to Italy, Belgium, Germany, Norway, Austria and Australia

> These are some of the earlier Morgan achievements. But there came a change. Under the requirements of the Federal Banking Act of 1933, J. P. Morgan & Co. had to choose between commercial and investment banking. t could no longer legally do both. The partners decided in favor of commercial banking. The historic partnership continued until 1940 when it was terminated, with the formation of J. P. Morgan & Co., Incorporated, which has carried on to this day, the commercial banking - and the tradition - of the House of Morgan.

> This tradition of excellence and skill in banking, the lengthened shadow of the Elder Morgan, has been carried forward through the years, by the efforts and achievements of a series of unusually gifted men who have guided the Morgan destinies. In addition to four generations of Morgans, such names as Drexel, Leffingwell, Lamont, Stettenius, Morrow, Whitney, Anderson, Davison and Alexander have comprised an echelon of sustained top flight talent unrivalled among financial institutions.

But time marches on. Morgan, On two occasions J. P. Morgan merger — merged with another renowned international banking institution thrice as large-Guarleadership. In 1895 it put up gold Guaranty, with a main office at

140 Broadway, New York, three and pension trusts; fiscal agency midtown branches and offices in and investment advisory service; Paris, Brussels and London, has and as a major dealer in govern-resources of over \$3 billion. Its ment and municipal bonds, Morgan average of commercial and indus- Guaranty will be uniquely trial loans in 1958 was \$1,092,000,-000. Long regarded as a "wholesale" bank, its customers include most of the 100 largest corporations in America, as well as leading banks in many cities. It also does a huge business in corporate and personal trusts. The Guaranty Trust Board of Directors is a virtual Who's Who in commerce, industry, and finance.

The contemplated merger of these great institutions will create have become connected with Richa new \$4 billion bank, Morgan ard A. Harrison Inc., 2200 Six-Guaranty Trust Co., of New York, teenth Street. Mr. Miles was prewith capital funds of more than \$500,000,000. This will be the third largest New York bank, and fourth largest in the nation. It will U. S. investors, of the external leave to others the functions of bonds of Great Britain, France, chain store banking, small personal loan and instalment financing. But with its skilled personnel and combined managerial excellence, it will be splendidly equipped to serve the banking and fiduciary requirements of large corporations and individuals of high solvency. The exceedingly strong capital position of Morgan Guaranty Trust will permit a maximum legal lending limit, to any single borrower, of slightly over \$50 million.

> The mechanics of the merger call for delivery of one new share of Morgan Guaranty Trust stock for each share of Guaranty now held; and 4.4 shares of the new stock for each share of J. P. Morgan & Co. Inc. now held. On this basis present Guaranty stockholders will own 79.6% of the equity in the new bank, and Morgan shareholders, 20.4%. The total capitalization of Morgan Guaranty Trust will consist of 7,540,000 outstanding shares, each with a book value of about \$70. It has been assumed that the present dividend rate of Guaranty Trust, namely \$4 a year, would be continued. In that event present Morgan shareholders will be accorded a sizable increase in annual income-from \$10 to \$17.60 on each share now held.

The new top management at Morgan Guaranty glistens with talent, experience and financial judgment. The Chairman of the Board and chief executive officer is to be Mr. Henry C. Alexander (now Board Chairman of J. P. Morgan); Mr. J. Luther Cleveland (now Board Chairman at Guaranty) is to be Chairman of the Executive Committee; Mr. H. P. Davison and Mr. Thomas S. Lamont (both of J. P. Morgan) will be Vice-Chairmen of the Board; and Mr. Dale E. Sharp (now Guaranty President) will be President of the merged institution. And there's a lot of younger talent coming along in both banks, giving assurance of sustained managerial competence in depth, and a rich reservoir of "top brass' for the years to come.

Because this exciting merger was approved, by both boards of directors, during the newspaper strike in New York, and announced at the same time as the 3-for-1 split in A. T. & T., it didn't get its full share of publicity. The market, however, immediately and enthusiatically responded, advancing the bid prices of both stocks by more than 10%.

Now all that remains is the assent of stockholders, approval of the New York State Superintendent of Banks, of The Federal Reserve Board; and absence of any restraining antitrust action by the Department of Justice. If all goes well, Morgan Guaranty Trust Company of New York should become a financial reality by mid-March - an institution of new magnitude, carrying on, for the benefit of 37,000 stockholders, rich banking traditions going back to the Civil War. In every phase of commercial banking — domestic and foreign; personal, corporate

equipped to function broadly, efficiently and profitably. The wedding of Morgan and Guaranty will be a brilliant affair. It is no morganatic marriage!

### Richard Harrison Adds

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif .- William J. Ahern and Bryan Miles viously with Wilson & Bayley.

### Financial Planning Opens Two Branch Office

Financial Planning Corporation has opened a branch office at 90 Grand Street, White Plains, New York, under the direction of Robert S. Wilson, and in the Tectonic Building, Somerville, New Jersey, under the management of Henry

### Two With May & Co.

(Special to THE PINANCIAL CHRONICLE) PORTLAND, Oreg. - Jack K. Holman and Lawrence B. Pagter, Jr., are now with May & Co., 618 Southwest Yamhill Street.



### COMMERCIAL BANK OF NORTH AMERICA

STATEMENT OF CONDITION

December 31, 1958

#### RESOURCES

Cash on Hand and Due from Banks	8 23,373,539.23
U. S. Government Obligations	45,904,231.17
Federal Agency Issues	1,597,572.91
Other Bonds and Securities	9,983,205.63
Loans and Discounts	78,914,020.81
Real Estate Mortgages	1,762,009.22
Customers' Liability for Letters	
of Credit and Acceptances	2,462,769.58
Bank Building Owned	48,407.97
Furniture, Fixtures and Improvements	1,019,500.20
Accrued Interest Receivable	407,895.04
Other Resources	492,689.62
The transfer of the second will	\$165,965,841,38

LIABILITIES	o control in inclusio
Deposits	\$146,561,389.93
Unearned Discount	1,251,899.06
Liability for Letters of Credit	
and Acceptances\$2,485,633.83	
Less: Own Acceptances	
in Portfolio 22,864.25	2,462,769.58
Reserve for Taxes and Interest	1,011,020.44
*Reserve for Possible Loan Losses	2,132,253.84
Reserve for Bond Investments	752,296.00
Other Liabilities	642,067.93
Capital Funds:	
Capital Stock 2,399,875.00	
Surplus and	
Undivided Profits 4,384,269.60	10.1
Income Debentures 3,750,000.00	
Reserve for Income	
Debentures 618,000.00	11,152,144.60
	\$165,965,841.38
*No losses adversely affecting this reserve	

\*No.losses adversely affecting this reserve are known to exist.

Offices

MANHATTAN

116 Fifth Avenue • 1400 Broadway 528 Broadway · 115 Broadway 318 Grand Street

> **BRONX** 352 East 149th Street

BROOKLYN 1574 Pitkin Avenue • 815 Broadway 781 Eastern Parkway 465 Kings Highway

QUEENS 99-01 Queens Boulevard, Forest Hills 14-15 122nd Street, College Point Member Federal Deposit Insurance Corporation



NASSAU COUNTY, LONG ISLAND, N. Y.

### COMPARATIVE CONDENSED STATEMENT OF CONDITION

and the second of the second of		December 31st
ASSETS	1958	1957
Cash on Hand and Due from Banks\$	28,527,091.13	\$ 31,688,226.79
U. S. Government Securities	109,386,352.59	84,930,123.24
Municipal Bonds and Other Securities	13,664,727.83	14,377,380.44
Loans Guaranteed or Insured by		Markly 1
U. S. Government or Agencies	57,870,124.26	57,452,166.28
	163,754,454.91	139,188,563.90
Bank Buildings	7,135,000.47	6,307,261.85
Furniture and Fixtures	1,669,589.60	1,369,742.64
Other Assets	2,047,574.80	1,692,225.53
TOTAL \$	384,054,915.59	\$337,005,690.67
LIABILITIES		of the same
Capital\$	8,314,165.00	\$ 8,150,350.00
Surplus	8,185,835.00	8,009,460.00
Undivided Profits	1,898,027.41	2,726,430.43
Reserve for Possible Loan Losses	10,000,082.29	7,145,755.10
Total Capital Funds	\$28,398,109.70	26,031,995.53
Reserve for Taxes, Interest, Etc	4,491,269.38	4,285,446.56
Other Liabilities	528,762.94	279,280.88
Deposits	350,636,773.57	306,408,967.70
TOTAL	384,054,915.59	\$337,005,690.67

### Serving Long Island

Member Federal Deposit Insurance Corporation

### The Meteoric Growth **Of Mutual Funds**

Manager, Mutual Fund Department, A. C. Allyn & Company, Chicago, Ill.

Chicago mutual fund department manager is convinced of the bright outlook for what he describes is "one of the fastest growing investment media in the country". Mr. Potts provides statistics showing present and projected rise of mutual funds, outlines the "real" advantages accruing to owners, reviews markedly improved changes in the make up and regulation of this industry, describes the wide choice of funds to fit different needs and the different types of funds; and lists the states permitting use of trust accounts. Advises systematic, continuous investing regardless of price level so as to build up investment over a long period of time.

In May, 1958, the mutual funds the New York Stock Exchange.

Although the successful launching of two large new mutual funds and several smaller ones gave a big push to mutuals in 1958, this relatively new industry has been quietly gaining popularity in recent years and



W. George Potts

today ranks as one of the fastest growing investment media in the country.

In 1940, mutual funds were virvestor. At the close of 1958, net assets of open-end investment \$20 billion of assets in five yearsdecade.

This rapidly expanding form of investment is creating thou- funds has been vigorous and consands of new investors each year sistent over the past 19 years, as —investors in American industry and business. Some \$100 million based on a report of the National of new funds are put into the Association of Investment Comstock market monthly and a re- panies on 146 open-end funds. cent study showed investment companies as holding nearly 4% the assets of open-end mutual plex with business and economic

industry crossed the \$10 billion Thus a vital and dynamic new fiof assets line to become "Major nancial institution-the open-end League" in the financial world.. mutual investment fun-is emerg- from the year earlier figure. ing to take its place as an important segment of the American way of life.

Today there are 146 open-end mutual investment company members of the National Association of Investment Companies with combined total net assets as of Oct. 31, 1958, of \$12,281,441,000 an increase of over \$31/2 billion from the figure at the 1957 yearend and a growth of over 2,600% from the \$447 million of assets at the 1940 year-end, largely due to additional purchases.

In 1957, mutual funds paid investment income dividends in the record amount of \$322,381,000 to an estimated 1,500,000 shareholders. The number of shareholder accounts in open-end mutual tually unknown to the average in- funds at the end of the third quarter of 1958 was over 3,500,000. These figures include considercompanies are estimated to be able duplication since many per-\$123/4 billion. Some forecasters sons hold investments in more predict sales will push them to than one company. This is a tenfold increase over the 296,056 possibly \$40 billion in another shareholder accounts at the end of 1940.

The growth of open-end mutual shown by the following tabulation,

over this period despite uncertain market trends and declining volume of securities business in certain of these years. For example, in 1947, the total volume of transactions on the New York Stock Exchange declined almost one-third from 1946. Yet in the same year, the assets of mutual funds increased almost \$100 million, while the number of shareholders increased by about 100,000. In the week following the out-break of the Korean War, the market as measured by the Dow-Jones Industrial Stock Average, declined 6.9%. However, new money from sales exceeded redemptions of mutual fund shares during this week. Thus, mutual funds, as a group, gave support to the market by buying more securities than they sold. In 1957, sales of mutual fund shares were more than \$40 million higher than in 1956. However, due to market declines, net assets at the 1957 yearend were off some \$300 million

Because of the high liquidity of mutual funds, many have thought that in periods of market weakness, shareholders would turn in shares for redemption thus forcing the funds to liquidate securities and accentuate the decline. The fact is that in all recent breaks, the mutual funds bought rather than sold thus tending to give stability to the market in periods of uncertainty.

#### What Is a Mutual Fund?

Mutual funds are a securityone certificate which represents a package of many securities. Mutuals provide a basic financial service whereby the average person can conveniently invest in stocks and bonds. The investment can be any amount. It might be \$1,000, \$10,000, \$100,000 or more or perhaps as little as \$25 per month. In a mutual fund, large and small investors alike receive the same advantages and service.

A Pool of Money: Expressed in simplest terms, mutual funds are a pool into which thousands of investors have brought together their surplus cash in order to employ investment management that otherwise would be available only to possessors of large sums of

Professional Management: The It is particularly significant that American economy is very comof the dollar value of all stocks on funds have shown a steady growth conditions continually changing. Growth of Open-End Mutual Funds

Calendar Year-End	No. of Companies	Total Net Assets (Thousands of Dollars)	Shareholders Accounts
1940	68	\$447,959	296,056
1941	68	401.611	293,251
1942	68	486,850	312,609
1943	88	653,653	341,435
1944	68	882,191	421,675
1945	73	1.284.185	497,875
1946	74	1.311.108	580.221
1947	80	1,409,165	672,543
1948	87	1,505,762	722.118
1949	91	1,973,547	842.198
1950	98	2,530,563	938,651
1951	103	3,129,629	1.110,432
1952	110	3,931,407	1.359,000
1953	110	4,146,061	1.537,250
1954	115	6,109,390	1,703,846
1955	125	7,837,524	2,085,325
1956	135	9,046,431	2,580,049
1957	143	8,714,143	3,110,392
1958	160	*12,750,000	*3,640,000
		The state of the s	A THE RESTREET

curities, some good and some not holders in the securities of Amerso good. For a small investor to ican corporation (a few mutual select and maintain an intelligent funds invest in other countries). variety of securities is ordinarily To justify its existence, a mutual not possible—for he lacks the fund management must do a bettraining, facilities, information, ability and the time. This calls for the services of professionals who devote their full time and many years in the study of investments and economics.

By pooling their dollars, large and small investors alike can employ professional investment management with continuous supervision at a proportionately small charge. For example, the average annual charge for investment management is about 34 of one per cent. Thus, the management fee for one year on \$2,000 of net assets would be \$15-less than a year's subscription to almost any newspaper.

Diversification: The combined funds of the shareholders of mutual funds are spread over many securities and many industries in much the same fashion as the investments of the very wealthy or of large institutions. An investor who "puts his eggs in one basket" by investing in one or a few companies may do very well or very badly. The investor in the early promise of the automobile business who purchased General Motors Corporation stock could could have made a handsome profit. Investments in the stocks of many other automobile makers led to large losses in many cases. Mutual funds by spreading the risk over many companies and industries endeavor to participate in the over-all general growth trend of American industry rather than in the possibilities of a few companies. The theory is to spread the risk of loss and accept an "average" result, rather than seek spectacular performance at the greater risk of concentration on a few holdings.

Investing Is Their Business: The sole business of an open-end investment company (mutual fund)

There are tens of thousands of se- is to invest the funds of its shareter job of managing securities than the investors can do for themselves. Or course, not all management does the job it sets out to do-there is variation in managerial ability and success and hence varying degrees of risk to the investor.

Hel

#### Investment Income

A mutual fund receives dividends or interest payments from the many securities held by the fund. This income, after deduction of the management fee and operating expenses (usually about eight-tenths of 1% per annum of average net assets-the average expense ratio to average net assets of 183 leading funds in 1957 was 0.79%) is distributed pro rata to shareholders of the fund. Distributions of income are usually made by the fund quarterly four times a year. And because there are many sources, some income may reasonably be expected, although varying in amount-with larger payments in good times and smaller distributions in bad times.

### Security Profits

In periods of generally rising security prices, mutual funds may be able to realize profits from the sale of securities and such profits are distributed to shareholders usually once a year, near the fiscal year-end of the particular

The majority of mutual funds would prefer not to pay-out capital gains distribution since the retention of security profits makes a good backlog and acts as a cushion for share prices in declining markets. However, the Federal Income Tax Law is such that a fund must pay out capital gains in order to avoid payment of cor-

Continued on page 126

January 15, 1959

100,000 Shares

### Resistoflex Corporation

Common Stock (\$1 Par Value)

Price: \$31.75 per Share

The Prospectus may be obtained from the undersigned and such other dealers or brokers as may lawfully offer these securities in this State.

Bache & Co.

Carl M. Loeb, Rhoades & Co.

Paine, Webber, Jackson & Curtis

Francis I. duPont & Co. Hayden, Stone & Co. Prescott, Shepard & Co., Inc.

Shearson, Hammill & Co.

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### NEWS ABOUT BANKS NEW BRANCHES NEW OFFICERS, ETC. AND BANKERS

been elected Deputy Comptroller and Texas. of Chemical Corn Exchange Bank, New York, it was announced by

Harold H. Helm, Chair-man. Mr. Southworth, after graduating from Dartmouth, took his M. B. A. at Harvard and then entered the banking field. He joined Chemical in 1956 where he has been an As-



A. R. Southworth, Jr.

sistant Comptroller since 1957. He is with the bank's Control Division at 165 Broadway.

von Gontard, Jr., as an Assistant Vice-President of Manufacturers Trust Company, New York, is announced by Horace C. Flanigan, Chairman of the Board.

Mr. von Gontard joined Manufacturers Trust Company in 1951. He was appointed an Assistant Treasurer in 1954 At present, Mr. von Gontard is the bank's representative in the Southwest Loans & discounts 80,106,170 69,707,294 which includes Colorado, Kansas, Undivided profits 1,242,892 1,072,171

Augustus R. Southworth, Jr. has Missouri, New Mexico, Oklahoma

**Elected Vice-President of Guar**anty Trust Co., of New York, were John P. Bochow and Reidar E. Gundersen.

Chemical Corn Exchange Bank, New York, on Jan. 12 opened its newly-constructed branch office in the heart of Chinatown at the southeast corner of Canal & Mott Streets. Since 1919, Chemical has maintained an office on Chatham Square which is being transferred to the new location.

The new office has been built to meet the expanding banking needs of this growing community, according to Chairman Harold H. Helm. Appropriately, in keeping with Chinese custom, this office has been given the oriental name The appointment of Adalbert of "Mei Hwa Yin Hong" which associated with a number of busisymbolizes "Beautifully Bright."

FEDERATION BANK AND TRUST CO.

NEW	IORK	
	Dec. 31,'58	Sept. 30,'5
rces	\$ 178,185,299	160,362,28
	154,534,605	148,578,25
lue from	38,807,436	28,977,68
t. secu-	26,425,136	28,640,76

Deposits - Cash and d

banks U. S. Gov

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities.

The offering is made only by the Prospectus.

NEW ISSUE

January 15, 1959

275,000 Shares

### The Kansas Power and Light Company

Common Stock (Par Value \$8:75 Per Share)

Price \$29.875 per share

Copies of the Prospectus may be obtained from any of the several under-writers only in States in which such underwriters are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

### The First Boston Corporation

Blyth & Co., Inc. Kidder, Peabody & Co. Harriman Ripley & Co. Goldman, Sachs & Co. Smith, Barney & Co. Lehman Brothers Merrill Lynch, Pierce, Fenner & Smith Dean Witter & Co. Stone & Webster Securities Corporation Hornblower & Weeks Blair & Co. Beecroft, Cole & Co. Estes & Company, Inc. F. S. Moseley & Co. W. C. Langley & Co. Robert W. Baird & Co., Alex. Brown & Sons Shields & Company Bache & Co. Stern Brothers & Co. Coffin & Burr Laurence M. Marks & Co. Spencer Trask & Co. Lester, Ryons & Co. Tucker, Anthony & R. L. Day G. H. Walker & Co. Irving Lundberg & Co. H. O. Peet & Co. Schwabacher & Co. Seltsam-Hanni & Co., Inc. Barret, Fitch, North & Co. William R. Staats & Co. Shuman, Agnew & Co. Hayden, Miller & Co. The Columbian Securities Corporation William Blair & Company Davis, Skaggs & Co. Riter & Co. Burke & MacDonald, Inc. B. C. Christopher & Co. First Securities Company of Kansas, Inc. Foster & Marshall E. F. Hutton & Company Lathrop, Herrick & Smith Merrill, Turben & Co., Inc. Edward D. Jones & Co. Milburn, Cochran & Company, Inc. Prescott, Shepard & Co., Inc. Ranson & Company, Inc. Reinheldt & Gardner Smith, Moore & Co. Stern, Lauer & Co.

Thomas Investment Company

Frank N. Warren & Company, Inc.

Edmund F. Wagner, President Treasurer, which title he will of The Seamen's Bank for Sav-keep.
ings, New York, has also been elected Chairman, effective Feb.



John D. Butt Edmund F. Wagner

it was announced. John D. Butt, having reached the retirement age, will retire as Chairman on Jan. 31. He will continue as a Member of the Board of Trustees. Mr. Wagner became President of the bank on Nov. 1, 1958.

He is a Trustee of Consolidated Edison Co.; Trustee, Citizens
Budget Commission; Vice-President, Director and a member of
the Executive Committee of the Commerce and Industry Association of New York; Vice-President and a Director of the Realty

Foundation of New York. Mr. Butt will remain actively ness and civic organizations. He is a member of the Real Estate and Mortgage Department Advisory Board of the Manufacturers Trust Company, a member of the Committee on City Administration of the Commerce and Industry Association, President and a Director of Downtown Lower Manhattan Association, and a Di-rector of Central and Southwest Corporation,

The Seaman's Bank for Savings, chartered in 1829, has resources of over \$500,000,000.

George A. Mooney has been elected to the board of Federation Bank & Trust Co., New York.

COMMERCIAL BANK OF NORTH AMERICA, NEW YORK

Dec. 31,'58 "Dec. 31,'57 \*\*
Total resources \_\_\_\_ 165,965,841 151,083,073
Deposits \_\_\_\_ 146,561,390 135,289,289 Deposits \_\_\_\_\_ Cash and due from 

Mr. George O. Nodyne, President of the East River Savings Bank, New York, announces the election of the following officers:

William J. Rommel of the William Street office, Vice-President; Ernest W. Holling, Main Office, Gomer A. Wolfe, Rockefeller Plaza Office, and Fred F. Alessi, Amsterdam Ave. Office, Assistant Vice-Presidents.

Mr. Rommel appointed Manager of the Amsterdam Avenue Office in 1947 was elected Assist ant Vice-President in 1949. In 1953 he became Manager of the 55 John St. Office and has been active in the recent transfer of the latter office to its new location at 110 William Street.

Mr. Holling has been with the bank since 1927.

Mr. Wolfe came to East River in 1927.

Mr. Alessi has been with the bank since 1933.

Mr. DeCoursey Fales of The Bank for Savings in The City of New York, has retired as Chairman of the Board. On Jan. 6 he was given a dinner by the Trustees and Officers in commemoration of the occasion.

As Chairman Emeritus, Mr. Fales will continue as a Trustee.

The election of Robert F. Marchant as Executive Vice-President of the Bank for Savings was announced by Alfred S. Mills, President. Mr. Marchant joined the bank in 1927, and is presently

William E. P. Doelger and Irving A. J. Lawres have been elected to the Board of Trustees of Manhattan Savings Bank, N. Y.

Roderick McRae, Executive Vice-President of the Bank of New York, has been elected a Trustee of the Lincoln Savings Bank, Brooklyn, N. Y.

Mr. McRae has been with the Bank of New York since 1942.

THE MEADOW BROOK NATIONAL BANK OF FREEPORT, N. Y. Dec. 31,'58 June 30,'58

\$ 384,054,916 362,002,634 350,636,774 329,906,239 

SECURITY NATIONAL BANK LONG ISLAND, N. Y.

Dec. 31,'58 June 30,'58 Total resources\_\_\_\_\_ 183,475,051 189,105,441 Deposits 167,498,468 172,588,529 Cash and due frem banks Loans & discourts 58,094,748 81,885,750 Undivided profits 638,835 629,660

Robert J. Casey has been named public relations director of Western Pennsylvania National Bank, McKeesport, Pa., effective Jan. 1. He will also be a member of the bank's management committee.

M. A. Cancelliere, President, said Mr. Casey will be in charge of all public relations, advertising and sales promotional activities of the institution, which is the third largest national bank in Western Pennsylvania.

LINCOLN ROCHESTER TRUST COMPANY ROCHESTER, N. Y.

Dec. 31,'58 Dec. 31,'57 391,772,343 374,650,275 357,104,232 341,631,341 Total resources\_\_\_\_\_ Deposits \_\_\_\_\_ Cash and due from 93,971,490 92,423,447 benks 93,971,490 92,423,447
U. S. Govt. security holdings 106,904,141 85,076,372
Loans & discounts 119,386,421 127,679,799
Undivided profits 4,996,557 3,684,623

RHODE ISLAND HOSPITAL TRUST CO. PROVIDENCE, R. I.

Dec. 31,'58 June 30,'58 Total resources 310,399,705 311,024,859 Deposits 276,308,131 274,839,135 Total resources 276,308,131 274,839,135
Cash and due from banks 41,063,176 47,604,495
U. S. Govt. security holdings 84,487,062 80,564,941
Loans & discounts 163,559,955 165,780,281
Undivided profits 3,285,297 3,044,617

Merger certificate was issued approving and making effective. as of the close of business Dec. 31, the merger of Allegheny Trust Company, Pittsburgh, Pa., with common stock of \$700,000, into The Union National Bank of Pittsburgh, Pittsburgh, Pa., with common stock of \$2,500,000. The merger was effected under the

Continued on page 122

### **NEW JERSEY BANK**

Statement of Condition as of close of business December 31, 1958

ASSETS

Cash	\$ 46,251,729.38
U. S. Government Obligations	63,162,664,45
State and Municipal Obligations	29,999,606.67
Other Bonds and Securities	569,459,49
Federal Reserve Bank Stock	450,000.00
Mortgage Loans	
Insured or Guaranteed	57,265,535.71
First Mortgage Loans	21,095,321.19
Loans and Discounts	41,738,700.77
Banking Houses	3,777,757.89
Furniture and Fixtures	1.051-472.32
Accrued Income Receivable	1,255,102:58
Other Assets	257,440.29
Total	\$284.874.790 74

-- Amounts shown are not after deducting **Valuation Reserves** 

Deposits ...... \$262,268,973.83 208,065.25 Reserve for Dividend Payable February 2 ...... Reserve for Taxes, Accrued Interest, Expenses, etc. ... 796,387.25 Discount Collected, Not Earned ...... 3,478,371,99 Other Liabilities .....\$ 6,105,000.00 1,660,291.92 8,895,000.00 Undivided Profits .......... 3,462,700.50 **Total Capital Funds** 18,462,700.50 Total ..... \$?86,874,790.74

In addition to the above, assets held in the Trust Department total \$79,742,597.44

OFFICERS:

C. KENNETH FULLER Chairman of the Board . JOHN C. BARBOUR

COWLES ANDRUS Senior Vice-President

CARL R. GRIFFEN Senior Vice-President

Joseph F. Hammond Senior Vice-President NORMAN BRASSLER Executive Vice-President

EDWARD H. RODEN Executive Vice-President



16 offices in CLIFTON • HALEDON LITTLE FALLS • PASSAIC PATERSON . WEST PATERSON

### The Changing Insurance Industry

By LELAND T. WAGGONER\* President, Life Insurance Company of North America, Philadelphia, Pa.

The insurance industry is put on notice regarding the evidentiary trend toward multiple line underwriting. Mr. Waggoner underscores the convenience and economies desired by the public and agents alike which are said to be inherent in medicine, banking, or insurance "one-stop service." The insurance head refers, also, to dilemma of allowing "specialty" companies the profitable lines, and carriers the less profitable lines, which cannot assist an agent or an insured to solve his needs for multiple line coverage.

Management Association in Chi- completely academic. cago. Present were nearly 1,000

executives from life insurance companies and a number of fire and casualty companies. While the predominance of people represented strictly life companies, there were innumerable addresses and individual conversations



concerning the pros and cons of the agency system as we in the life insurance business know it, and the totally different American Agency system that is strongly upheld by independent agents. Also, representatives and direct writing companies discussed their approaches to selling all lines of insurance, and the discussions about multiple line or all line coverage do not represent the

\*An address by Mr. Waggoner befo the All-Industry Dinner sponsored be the Dayton, Ohio, CPCU Chapter.

I attended the recent meeting basic fundamental questions, but honestly have no concern as to and companies with assets in the of the Life Insurance Agency primarily points which seem to be

> First, much time is being spent questioning the term - "one-stop - which seems to have caught on and struck the fancy of people in and out of the insurance industry. Certainly this does not mean that the millenium has come and that agents will be able to make all sales with one stop, any more than it means that one agent will necessarily sell every kind of policy. We believe it means that the public will be able to have one agent or agency. to handle all its insurance needs; that he will have the economies resulting therefrom and the convenience of paying all of his insurance with one check each

> Others prefer to talk about whether there are changes or trends towards multiple line underwriting.

> Speaking of changes reminds me of a story about an old man years of age. Someone suggested that he must have seen a lot of changes in his day. He remarked: "Yep-I surely have and I was agin' all of them.'

### Will Not Argue the Case

derwriting, although I would like to make one or two brief comments . . . for some have even questioned the evidence of such a trend. For instance, on Sept. 29, one of the leading insurance publications, published by two close friends of mine, devoted almost its entire issue to questioning whether such a trend exists and ended up by stating: "If there is no concrete evidence which supports a trend toward multiple lines, it's outrageous to make believe there is.'

It is not my intent to try to prove any concrete proof of whether such a trend exists. whether you believe times are changing in this direction. I do personally believe that sitting back to wait for concrete proof of the change which appears to be taking place is more distressing and disastrous than the ostrich who put its head in the sand. He could pull it out of the sand, but the it not for the fact that it detracts concrete might harden and make this impossible.

#### Cites Observations

The October issue of the National Underwriter discussed the entry of fire and casualty companies into the life insurance busiless and the life companies into the property field, and made the observation that "there is a marked and unmistakable trend in this direction and there should be no doubt that it will continue. The October issue of the Spectator stated that not until the years of the Second World War did the insurance institution yield to public demand and initiate multiple line underwriting and that within the last few years this urge for simplification has combined to bring about an urge for multiple line underwriting in its broadest sense.

It's interesting to observe that I am not going to waste time according to the National Under-trying to prove that there are writer the first 12 companies in

Farmers of Los Angeles, Employers Group, Transamerica and General of Seattle, have all ento try to prove that a trend toward multiple-line underwriting exists. Obviously, many people billions believe it does.

Many people today agree that a trend exists but prefer to debate who created it . . . the public, the agents or the companies. Frankly, think there's something to be said for each group. Actually, the subject would be academic were from the key issues. Let's consider each group.

Let's start with the most important persons in the world - the prospect, or the insured.

One of the speakers at the LIAMA-meeting said, "the public does not demand multiple line underwriting, in fact, it couldn't care less.'

In one sense this is valid. The public probably doesn't even understand the term. It is also doubtful if there is any demand for life insurance as such. There is a demand for those things which life insurance will provideafter the death of the breadwinner; money to educate a little boy or girl; money to provide an income in old age.

### Convenience and Economy

There may be no public demand for multiple line underwriting but there is a demand for convenience and economy in every product and service in existence!

In the area of professional services we find people prefer to go to a clinic where all medical or dental care can be taken care of. This is also increasing with other professional services - legal and accounting. The public is increasingly gravitating to the bank which provides services not in evidence a few years ago. For instance, in some metropolitan areas, banks have started providing curb service to transact what of all transactions, the withdrawlikes to pay all of his regular comworld over and to eat in the finest all lines in order to cover loss

trends towards multiple line un- the fire and casualty field, writing restaurants, and pay the Diners the largest property business, Club once a month—he likes to pay eight are or are currently becom- his insurance premiums mouthly, ing multiple line companies, and as well as most everything else only four are not. Thus of the he buys . . . and in the two or top 12 companies only four three years pre-authorized checks (America Fore Loyalty, Liberty have been generally available, he Mutual, U. S. F. & G., and Royal finds that it is too much trouble Globe) do not yet function in the to write individual checks, so-to life field. A number of other large an extent almost undreamed of property companies such as the two or three years ago-people Kemper group, St. Paul F & M. are adopting the services of life insurance companies which have enabled them to sign one authorization allowing the insurance tered the life field. I'm not going company to draw each month a check for the proper amount of the premiums due.

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Secondly, let's consider the agent -really the most important-in this first instance, I refer to the independent general insurance agent. In the past he has represented, with the knowledge and consent and even the encouragement of various companies. True, there has not been, perhaps, a clamor on his part for companies to enter new fields, but we believe that just as there is a trend on the part of the public to do business with one individual or one agency where it can have full service-we think that there is as yet a hardly discernible but yet, nevertheless, present trend on the part of agents to represent fewer companies, but to represent them across the board. If this is correct, it represents a need for his company to be multiple-line.

Thirdly, let's consider the com-

panies: Here, too, we find a wide divergence of opinion. Some would prefer to believe that our business is not changing. They may be money to pay off a mortgage; right, and in any event, they have money to keep a family together a right to their beliefs. Others would prefer to look the other way with the vague hope of adjusting coverages and services at some future time if it becomes necessary; others who perhaps would be just as agreeable to sitting back and doing nothing, see in our business today unmistakable and significant developments, which whether we like them or not, they are here to stay-are destined to grow-and most important, offer an increased opportunity to render service to the public and to increase profit. Certainly there is no criticism of this, for certainly this is true in any competitive business. Certainly there is no question that such companies exist. For instance, the direct writers in many areas are growing stronger and more competitive every day. They intend to and are getting a larger share was once one of the most dignified of the market. Last month, for example, Sears Roebuck invested ing and depositing of money. In an additional \$50,000,000 in Allsome areas a man increasingly state, its insurance company. One of the Allstate executives at the munity bills through a new credit LIAMA meeting declared, "it is service inaugurated by some the fire and casualty companies banks. He likes to travel the who are creating the demand for

Member



Federal Deposit

### DETROIT, MICHIGAN

Statement of Condition December 31, 1958

### RESOURCES

CASH AND DUE FROM BANKS	\$ 48,007,102.30
U. S. GOVERNMENT OBLIGATIONS	169,722,522.81
STATE AND MUNICIPAL BONDS	
OTHER BONDS AND SECURITIES	
STOCK OF FEDERAL RESERVE BANK	
LOANS AND DISCOUNTS	
BANKING HOUSES	
FURNITURE AND FIXTURES	1,157,633.80
OTHER ASSETS	1,719,218.05
TOTAL RESOURCES	\$362,249,800,06

### LIABILITIES

TOTAL RESOURCES	\$362,249,800.06
UNDIVIDED PROFITS	6,390,796.26
SURPLUS	
CAPITAL (COMMON STOCK)	
OTHER LIABILITIES	
DEPOSITS	\$334,392,167.91

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ratios expense in other lines."
Serious reflection will indicate this is undoubtedly an important source of demand.

In spite of this, it is doubtful if companies would put up tens of millions of dollars to enter the life insurance field if they didn't believe this would enable them to provide the convenience and economies desired by the agents and public alike. But undoubtedly the loss ratios of all companies have encouraged fire and casualty companies to seek a complete balance book.

#### Refers to Dilemma

If these observations are correct-and again we have no doubt that they are—this implies still another dilemma.

In the past decade, a large percentage of insurance premiums have been written by specially ditions in companies—companies which most varying desuccessfully have sought business from only one or a few small widened the number of lines—and would ac-spread hecept only the profitable lines. They were profitable companies.

We feel that in the future realization to agents and companies will in- a greater-creasingly consider it "unfair" for than - average an agent to expect a carrier to amount. The handle the less profitable lines, cost of corleaving the profitable ones to the specialty companies — companies writing only life insurance or ac- many cases inflated beyond the January but rather later in the cident and sickness, or some other foreseeable future. one line or two. They cannot help an agent or an insured solve his needs for multiple-line coverage.

### Elects John R. Haire

ELIZABETH, N. J. - John R. Haire has been elected Vice-President of Fundamental Investors, Inc., one of the nation's largest mutual funds. He is

resigning as vice president of the New York Stock Exchange effective March 31 to assume his administrative res p onsibilities with Fundamental Investors on April 1959. Mr. Haire was also elected vicepresident of

ganization.

Hugh W. Long & Co., Inc., and of the two other investment companies sponsored by that or-

Mr. Haire, born in Rhode Island, was graduated from Harvard Law School and was admitted to the Massachusetts bar in 1950. Before joining the staff of the New York Stock Exchange in 1953, he was legal and financial aide to William H. Vanderbilt and secretary-treasurer and a director of a number of Vanderbilt enterprises. He served the Stock Exchange successively as special assistant to the president, Secretary of the Exchange, and vice-presi-

# Phila. Inv. Ass'n to

PHILADELPHIA, Pa.—The first 1959 luncheon meeting of the Investment Association of Phila-delphia will be held on Friday, Jan. 23, at Sherry's Restaurant, 1425 Chestnut Street.

Guest speaker will be Walter L. Morgan, President of The Wellington Company, investment managers of Wellington Fund and Wellington Equity Fund, who will discuss mutual funds.

Herbert S. Bengtson of Schmidt, Roberts & Parke, is in charge of reservations.

By G. M. LOEB Partner, E. F. Hutton & Company, New York City Author, "The Battle for Investment Survival"

and sentiment rather than facts.

The foremost influencing fac-

tors of this year's stock market

should be the speed and extent of

actual earnings recovery. Realists,

analysts and seasoned investors

may then again provide the prin-

cipal buying at prices they feel

A Year to Buy and Sell

year to buy and sell than to buy and keep. It might in some cases

be a trifle too early to sell, but

in many cases it seems too late to

buy. The best buying opportun-

ities are not likely to occur in

I expect 1959 to be more of a

are justified.

Observing that "The cost of corporate ownership is in many cases inflated beyond the foreseeable future," Mr. Loeb doubts 1959 will repeat 1958 unless the year turns out to be another 1927. Expects 1959 to be one of buy and sell rather than buy and keep, and ferebodingly reviews fundamental danger to our economy which may materialize if we complacently act as though "it can't happen here."

In 1958 buying of equities again The new year will hardly follow came the fashion. in the tracks of 1958 unless 1959. The year 1959 should determine turns out to be another 1927. That became the fashion.

how lasting that fashion will be rise was powered by momentum

Stock prices, always anticip a t i n g business congrees, have spread between expectation and porate ownership is in



In 1958 buying and holding paid off. It was a year when the investor who used his eyes rather than his head, and followed the Fundamental Investors market's activity and strength had the greatest success. that promise to develop in the months to come. I expect 1959 to be more than

ever a market of stocks rather than a stock market and more than ordinary selection is almost mandatory.

#### Offers Dismal Picture

I am not an economist but behind quoted stock values lie the productive capacity and earnings ability of the corporations them-selves. At various times since 1933 the more experienced have expressed fears about our neconomy based on disturbing developments over the years. In a broad and general way the majority felt these warnings were unjustified and those that uttered them were old-fashioned and ultra-conservative. While their direct predictions have not materialized, still the picture is not as good as it appears on the surface. The distortion caused by the decline in the value of the dollar and a certain amount of living off our capital has made things seem better than they are. Our greatest danger today is complacency. The newest threat to our industrial well-being is that the combination of cheap labor plus modern machinery abroad is outpricing us in an increasing number of world markets. We read about the situation in France. It is dangerous for us to think "it can't happen here." Anticipated early 1959 invest- We have all the resources to win ment demand-should it develop if we don't sabotage ourselves by -could be used to accept profits turning soft. Our greatest need is and put accounts in a position to an honest day's work for an hon-

### **John Nuveen Opens** Office in Nebraska

OMAHA, Neb.-John Nuveen & Co., national investment banking organization with headquarters in Chicago and New York City, has announced the opening in Omaha, Neb., of its newest regional office. Wm. R. Oostenbrug is Regional Manager assisted by William J.

Nuveen's Omaha office is connected by private wire with Nu-veen's main Chicago - New York communications system. As one of the oldest and largest investment banking organizations in the United States dealing in tax-free Public Bonds (Municipal Bonds) exclusively, John Nuveen & Co. also maintains offices in Atlanta, Boston, Cincinnati, Detroit, Los Angeles and St. Paul. The com-pany, now in its 61st year, was founded in 1898 in Chicago by the late John Nuveen.

#### Now With Walston

(Special to THE PINANCIAL CHRONICLE)

EUGENE, Oregon-Robert Enright has become affiliated with Walston & Co., Inc., 101 East Broadway. He was formerly with Pacific Northwest Company.

### Two With Grant, Fontaine

(Special to THE FINANCIAL CHRONICLE)

OAKLAND, Calif.—Ronald J. Carminati and William R. Holt have become affiliated with Grant, Fontaine & Co., 360 Twenty-first Street.

take advantage of opportunities est day's pay. This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.

\$75,000,000

The offer is made only by the Prospectus.

# Province of Ontario

Twenty-five Year 43/4% Debentures

Dated February 1, 1959

Due February 1, 1984

Price 98.50% and accrued interest

Copies of the Prospectus are obtainable from only such of the undersigned and other dealers as may lawfully offer these securities in this State.

Harriman Ripley & Co.

Wood, Gundy & Co., Inc.

Smith, Barney & Co.

The First Boston Corporation

A. E. Ames & Co. The Dominion Securities Corporation McLeod, Young, Weir, Incorporated Salomon Bros. & Hutzler Lehman Brothers White, Weld & Co. Blyth & Co., Inc.

Mills, Spence & Co. Inc. Nesbitt, Thomson and Company, Inc. Bell, Gouinlock & Company

Harris & Partners, Inc. Greenshields & Co (N. Y.) Inc Burns Bros. & Denton, Inc.

W. C. Pitfield & Co., Inc.

Dawson, Hannaford Inc.

Midland Canadian Corporation

Equisec Canada Inc.

January 14, 1959.

### Can Banking Fill the Gap Opened by Rush Into Stocks?

President, First National Bank in St. Louis, St. Louis, Mo.

Remonstrating that private and government bond, and mortgage, financing cannot be left solely to banking, Mr. Hickok warns that investors' rush into stocks and desertion of fixed income investments is not healthy for the future of our economy. He also warns that resort to stocks as a hedge can become a boomerang. The St. Louis banker deplores other inflationary dangers in wage-price spiral and repeated Federal deficits. As for the economic picture, he sees continuing nearterm recovery and tighter money market but argues we must fight hard against inflationary threats.

ing an amazing ability to snap Bank, we are not particularly back from the 1958 recession, and concerned about the immediate a sound basis. there is every indication that its future. But we are seriously concurrently rising trend will con- cerned about the longer range tinue at least through mid-1959.

There are some clouds in the how the 1959 model automobiles will fare. Some economists are tighter again, and this may reduce standing any wild inflation. the number of housing starts and other construction work.

Yet, the general business out-

The American economy is show- favorable. Here at First National potential for extreme inflation.

We have experienced a continupicture. No one knows for certain ing inflation for more than 20 only safe hedges against the efyears now, but it has been kept fects of inflation. They are help-somewhat within bounds. In- ing to increase inflation by desertpredicting a decline in farm in- farm productivity on the one come and a continuing unemploy- hand, and the intervention of fisment problem. Money is getting cal and monetary policies on the other, have succeeded in with- Consequence of Rush Into Stocks

#### Three Dangerous Factors

Today, however, there is serious

could reach beyond the limits of normal control.

Three factors should be cited.

Although business, industry, and labor have done an outstanding job of increasing productivity there continues to be heavy and often successful pressure for wage increases that go beyond productivity. This one trend alone could lead ultimately to an uncontrolled inflationary situation.

Our government is continuing to spend beyond its income, and we face pressing financial problems in connection with deficit financing. With the military and economic "free world" commitments we have at home and abroad, and with the increasing demands for more spending by the influential political leaders today, we face a tremendous task in keeping the American dollar and economy on

Finally, the investors of our nation-large and small, individual and institutional-seem convinced that common stocks are the investments.

comment as to the unhealthiness of the wage-price spiral and repeated Federal budget deficienlook for 1959 appears definitely worry that inflationary forces cies, some observations relative to the securities markets may be in

> The rush to common stock and other equities is understandable, but it is not healthy for the fu-ture of our economy. We must have a strong bond and mortgage money market, and we must have an attractive market for government securities. This type of financing must not be solely in the hands of our banking system, where it only helps to feed the fires of inflation.

> Traditionally, common stocks have been a good hedge against inflation in this country. But, if the current stock buying trend continues, common stock prices can become so inflated themselves that they will destroy their hedge value. Investors will have de-feated their primary investment purpose.

There is every good reason to we must fight hard to solve or believe that our economy—local stave off the serious threats in and national—will continue at a our situation which could lead to high and satisfactorily expanding an abnormal and disastrous inflarate for a long time to come. But tion,

### N. Y. Reserve Bank Optimistic on Business

Favorable aspects about the recovery are reported by Federal Reserve Bank of New York. Latest report hopes that the continued strengthening of consumer demand will induce business capital spending which, in turn, will increase employment.

in December, further advancing concludes that economic expanthe economic recovery under way since the second quarter of the year, according to the January "Monthly Review" of the Federal Reserve Bank of New York.

Factory output appears to have risen again, although probably not so much as in November, when substantial increase in plant and the termination of a series of labor disputes had given an especially sharp boost to production consumer demand might well in-in the durable goods sector. Reduce businessmen to lift their record Christmas season, and sales In another article the of the 1959 model cars improved Reserve Bank of New York reconsiderably. Construction activ- ports that during the past six ity, a mainstay of the recovery, months commercial banks in the creases in business, industrial, and ing the bond market, government ity, a mainstay of the recovery, farm productivity on the one securities, and other fixed income rose to a record level in December for the third successive month. In foreign countries have broken addition to increasing final de-Since there has been widespread ently benefiting at the end of the credit. These moves have occurred on the unhealthings was apparationally the credit. year from a change-over from inventory liquidation to a gradual rebuilding of stocks, according to the New York Reserve Bank.

Unemployment did not rise in November, when it usually in-creases substantially because of the curtailment of outdoor activities. In November, total personal income rose \$2.5 billion to a new high of \$360 billion, and the Department of Commerce estimated that the 1958 total would be 11/2% higher than in 1957. With consumer incomes at new highs, the stage was set for a record Christmas shopping season. Data on total retail sales for December are not ory I. Harrington has become

The article noted that a major fallen in September and October. New York.

Business continued to strengthen The Federal Reserve Bank article sion vigorous enough to take up the slack in employment remaining from the recession will depend heavily on a rise in business capital spending. Although recent surveys indicate that busiequipment expenditures in 1959, the continued strengthening of

In another article the Federal United Kingdom and many other with tradition and entered the with startling rapidity and stem in part from the recent relaxation of credit restraints in a number of foreign countries. If the expansion in consumer credit abroad takes place within the framework of sound credit practice, it could set off a new stage in the development of mass-produced consumer goods and, in the process, a further rise in living standards.

### **Gregory Harrington** Joins Taylor & Co.

BEVERLY HILLS, Cal.-Gregyet available, but there are signs that more was spent on Christmas pany, 439 North Bedford Drive, shopping than ever before.

Mr. Harrington was formerly in the municipal department of the element in the increased consumer Los Angeles office of Eastman spending during the last two Dillon, Union Securities & Co. months of 1958 was a sharp Prior thereto he was with Shearpickup in auto sales from the very son, Hammill & Co. and conducted low levels to which they had his own investment business in

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44 Wall Street

BOSTON

30 Federal Street

### Statement of Condition

AS OF CLOSE OF BUSINESS DECEMBER 31, 1958

Cash	\$ 93,971,489.87
U. S. Government Bonds*	106,904,141.02
Other Stocks & Bonds*	8.752.878.24
Loans*	118,386,421.13
Mortgages*	56,116,507.90
Banking Houses	5 000 656 05
Danking Houses	5,888,656.25
Accrued Interest & Other Income Receivable	
Other Assets	328,196.77
Net after applying evaluation reserves	\$391,772,343.06
LIABILITIES	
Deposits	\$357,104,231.54
Reserve for Interest & General Expense	
Reserve for Federal Income & Other Taxes	1.731.771.89
Reserve for Unearned Discount	
Neserve for Orearned Discount	400.010.50
Dividends Declared & Payable February 2nd	
Capital Funds	29,321,557.00
Common Stock\$10,325,000.00	the second of
Surplus 14,000,000.00 Undivided Profits 4,996,557.00	SEPTIMET IN
\$29,321,557.00	Aprile 1817 (Automotive
\$39,00±,000	Company of the compan

TRUST DEPARTMENT

\$391,772,343.06 \$410,871,571.01

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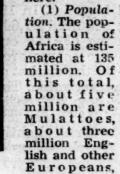
### Summary of Africa

By ROGER W. BABSON

Popular financial writer offers an abbreviated encyclopedia about South Africa reflecting items of interest as a result of a recent trip to that continent.

So many readers of my column \$100 an acre in the United States. have written to me questions This high price is due to the fact about South Africa, that I have that agricultural land lies only in

swering them



Roger W. Babson and about two million Dutch, known as Afrikaaners. This leaves about 125

million Blacks, which speak nearly 200 different languages. This language barrier prevents the Communists from now geting any hold in Africa.

for all groups. Black labor is I believe these bank stocks offer very cheap, but it is very ineffithe greatest opportunity for cient. Most articles, textiles, etc., growth of any in the world. are imported.

stocked, equal to the best in any American city of similar size. There are probably too many small all living in tents. Today the retailers. The merchants are mostly population of this city is over Jewish, Malayan, and English.

(4) Building. The Blacks live largely in thatched-roofed mud huts, while most of the whitecollar people live in very attracof brick tile covered with cement.

(5) Hotels, Churchs, and Clubs. These are the same as in any American city of similar size but more segregated as to race and

selected 16 of the most important small valleys between the highand am an- lands and mountains.

> (7) Weather. South Africa has its hottest months in January and February; and its coldest in July and August, with practically no freezes, except in the highlands. South Africa is fast becoming a winter resort for Europeans.

> (3) Rainfall. Long periods of drought are followed by terrible floods. Someday the floods will be controlled, but not yet. The weather is fine for citrus, with no freezes and much sunshine. Drought is overcome by irriga-

(9) Banks. There are several local banks scattered throughout Africa; but South Africa has only four. Each of these banks has hundreds of branches. I like Barclays Bank the best, but all are equally good. Banks pay 41/2% interest on deposits; bank stocks (2) Cost of Living. This is high yield about 9% to stockholders.

(10) Large Cities. There are only (3) Large Retail Stores. These a few large cities in Africa; but are very attractive and well all are having a marvelous growth, Forty-five years ago Johannesburg had only a thousand people, 600,000, and there are dozens of skyscrapers. My favorite cities are Cape Town, Durban, and Salisbury.

(11) Fisheries These are very tive four-story apartments built prosperous, and mostly on the Southwest Coast. Frozen fish and so - called "lobster tails" (crayfish) come into the United States free of duty; but a 45% import duty must be paid on canned fish.

upward, and can be equaled at profit to build apartment houses munists.

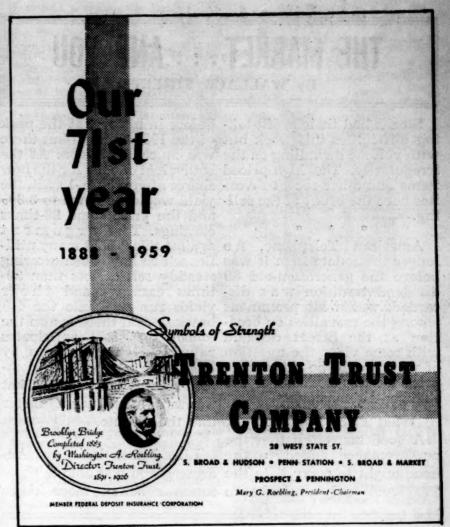
for rent. They believe that acreage, business blocks, and apartment houses are the best hedges against inflation.

(13) Highways. These are wide and well tarred. Most whitecollar workers have automobiles, which are mainly Americanmade. No oil of commercial grade is now found in Africa. Soft coal exists in great quantities. This is being distilled, and the distillate is being used for gasoline for autos and trucks; the residue is used for tarring the highways.

(14) Minerals. My reason for visiting Africa was to investigate the diamond, gold, chrome, and copper mines. I was interested only in the richest and longestlived mines, of which there are not too many. I especially like those whose stocks can be bought by the purchase of American Depositary Receipts and that are listed on the New York Stock Exchange. Too many African mines are short-lived and very speculative.

(15) Water Power. Africa leads all continents in undeveloped water power. Three of these possibilities are now being developed. am especially enthused about the one at the Kariba Gorge on the Zambezi River. This will be three times the size of our Hoover Dam, and has the world's largest man-made lake to supply water in the dry seasons. It will supply power to the copper mines.

(16) Wild Beasts. Africa has the greatest number of wild beasts now remaining on this earth. There is a huge collection in the Kruger Reservation, 300 miles by 50 miles in area. I was unable to visit this reservation, where they all run wild and have equal opportunity to follow their natural pattern for survival; but Mrs. Babson had the courage to go by herself, with a guide. These wild animals offer a suggestion for world peace - namely, by giving equal opportunities to all crea-(12) Local Investments. When tures. If all men and beasts have (6) Farm. Land. This is very the South African people sell out sufficient opportunities to eat and high priced, at \$500 an acre and their mining stock, they use the to develop, there will be no Com-



This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securiti The offering is made only by the Prospectus.

Not a New Issue

January 13, 1959

500,000 Shares

### Kaiser Industries Corporation

Common Stock

Price \$13.125 per share

Copies of the Prospectus may be obtained from any of the several underwriters, including the undersigned, only in States in which such underwriters are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Prospectus.

**NEW ISSUE** 

500,000 Shares

### United Asbestos Corporation Limited

(No Personal Liability)

Capital Stock (Par Value \$1 per Share)

Price \$6.75 per Share

Copies of the Prospectus may be obtained from the undersigned only in such States where the undersigned may legally offer these securities in compliance with the securities laws thereof.

Allen & Company

Francis I. duPont & Co.

Blair & Co. Incorporated

A. M. Kidder & Co., Inc.

McDonnell & Co.

Golkin & Co.

January 9, 1959

Eastman Dillon, Union Securities & Co. Goldman, Sachs & Co.

The First Boston Corporation Dean Witter & Co. Carl M. Loeb, Rhoades & Co.

Hemphill, Noyes & Co.

Glore, Forgan & Co. Kidder, Peabody & Co.

Blyth & Co., Inc.

Lehman Brothers

Schwabacher & Co.

### THE MARKET . . . AND YOU

By WALLACE STREETE

changed circumstances.

### What Price Romance?

A good many felt that the new romance added to the Like Zenith last year, Ad- did definitely was to stall the issue ought to carry it to the dressograph was able to show time when the industrial

Stocks had their profit-tak- before in history, at the peak ing difficulties this week but of the 1929 frenzy-but there already carved out a 50% imwith volume dwindling on the was much dissension. At the provement over their low irregularity. The high-priced equivalent of \$100 for the new since the split last September. items and other recent favor- shares after a 3-for-1 split, the Zenith, which split last April ites bore the brunt of the sell- yield would be down to 3.3% and consequently had a longer described as, and admitted ing ones. In 1957-58 Grayson and the price some 20-times trading life, ended 1957 with earnings. The argument the old shares selling at \$129. American Telephone, no against this is that many utili- Despite the 2-for-1 splitup, levels of selected issues and the shares are still available longer the sedate item it was ties which have been growing the new shares were able to groups in the market, optimis- in the market at less than half before the generation-old \$9 steadily sell at less than 20- stand at \$194 at 1958 ended, tic because further recovery book value. The company did dividend tradition was distimes earnings and their tripled in price on the year. carded, was a bit prominent yields run well into the 4% among the casualties on occa- bracket. And there is also the sion as the Street debated school that still anticipates with some vigor the question valuable rights offerings by of the specialties that had of what would be the proper Telephone as has been com- carried the ball for the bull price for this item under the mon since World War II. That market swing for so long were the obvious casualties when throws an unknown factor the obvious casualties when into the dispute.

given to some wide swings, month of 1958 continues. including a fat downswing, but showed good recuperative

#### **Temporary Casualties**

Metals, chemicals and some selling was prevalent, a notunlikely development. About the only thing the realizing \$300 level—only reached once superior action more times average will show a 600 reading for the first time in his-

> For a full week and a half —all of the sessions this year. in fact—the intraday reading of the industrial average was above 590, on one session within three points of the 600 mark, but couldn't quite

Rails continued to show fair buoyancy and swayed about in tune with industrials but by margins that were generally meaningless. And the rail average is far from being in any position to scale any historic heights although it is at its best posting since 1956. The high that year, however, is still more than a dozen and for any market group, rails troit area, possibilities of a have few persistent followers gain in sales are good. which, again, is not a new story.

than not despite the fact that new equipment and a pickup last year was a flat 10 points. its last 3-for-1 split is still so would seem inevitable if the Like other neglected items, recent that it isn't logically recovery trend apparent in its return is a generous 5%, a new split candidate. It was carrier business in the final well above average.

> seemed possible since the economy is promised. battle against it was admittedly "at a crucial point" according to the Federal Reits own caution.

### **Attractive Neglected Items**

45- to 50-times earnings.

Cunningham suffered a bit in the 1958 fiscal year both such as those that were because of chronic unemployment in key areas where it spirited runup in the stock. fell short of the 1929 peak and operates and because sales couldn't increase sufficiently article do not necessarily at any a half points above the standing this week. In short, decosts. With factories humming as those of the author only.] spite offering the high yields again, principally in the De-

Interest in Rail Equipments on the small capitalization of the firm name of Associated In-In fact, what mild specula- the issues involved, Cunning- vestment Securities Company. tion centered anywhere near ham hasn't been conspicuous the rails was directed mostly even though its capitalization to the railway equipment is a meager 381,600 shares in shares on the theory that cost- an era when multi-million S. Brittin is engaging in a secucutting by rails was at the ex-share totals are common. The rities business from offices at 2275 Longden Avenue under the firm pense of maintenance and stock's range through all of name of Brittin & Co.

There are, too, cases like There was only a trickle of Grayson - Robinson Stores power. The new shares have forecasts about the 1959 stock where a definite policy of remarket compared to the usual tiring shares is in effect, trimflood, for something of a new ming the capitalization and note. The apparent reason was theoretically, at least, boostthat many of the houses were ing the equity of the remainbeing, cautiously optimistic; acquired 41,600 shares, leav-cautious because of the high ing 684,000 outstanding. But in general business seems as-show a drop in profit in the sured which ought to find 1958 fiscal year although sales reflection in some of the neg- were slightly higher, but lected items that haven't par- Peerless Camera Stores has ticipated up to here in the been added to the chain reaction to combat inflation projected from an expanding

#### Restraint in Motors

Autos were the restrained serve Board. And that bred section, with even volatile American Motors, best-acting stock of 1958 with a price improvement of more than There was still much fodder 416%, calming down considin the way of neglected items erably. American nearly among the listings where doubled output in 1958 prices certainly don't seem over the previous year and excessive in any way. Cun- jumped solidly into black ink ingham Drug, for one ex- of large dimensions. Producample, has been hovering tion is still moving higher but around nine-times the average a big help to the handsome earnings and less than 11- profit figures were tax credits times the latest fiscal year, which made it exempt from while the names bandied payments. This credit runs about much wider as the bull out early this year and the market pets had worked to liability for full corporate taxes is acting as a brake on any more ultra-glowing estimates of per share earnings bandied around during the

> [The views expressed in this time coincide with those of the

### Assoc. Inv. Secs. Co.

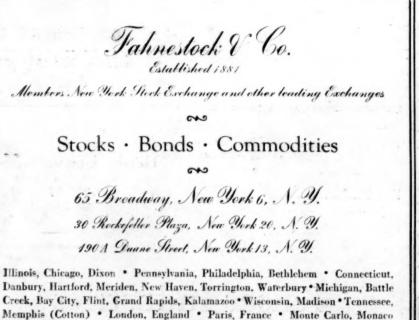
(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Alex-Where some wild price ac-tion has been blamed, in part, 1041 South Wilton Place under

### Brittin & Co. Formed

(Special to THE FINANCIAL CHRONICLE)

SAN MARINO, Calif.—Charles



Buenos Aires, Argentina . Caracas, Maracaibo, Venezuela . Beirut, Lebanon

The Second National Bank Ashland, Kentucky STATEMENT OF CONDITION AS OF DECEMBER 31, 1958 Cash on Hand and Due from Banks \$7,747,189.22
United States Government Securities 9,225,966.49
\$16,973,155.71 Public Housing Authority Securities ... 473,770.62 Municipal Securities .... 2,452,042.35 1.528,271.73 Total Cash and Securities\_\_\_\_ Stock in Federal Reserve Bank\_\_\_ \$19,425,198.06 Loans and Discounts
Bank Building
Furniture, Fixtures and Equipment \$ 566,025.21 Total Fixed Assets \_\_\_\_\_ 566,026.21 59,247.51 1,853.77 Other Assets ..... TOTAL ASSETS \$32,150,918.97 LIABILITIES \$29,148,477.28 180,750.11 18,549.24 apital Stock \_\_\_ \$ 700,000.00 Surplus Undivided Profits Capital Funds
Loan Valuation Reserve \$2,186,045.10 617,097.24 Total Capital Funds and Reserves 2,803,142.34 TOTAL LIABILITIES \_\_\_\_\_ \$32,150,918.97 JOHN C. C. MAYO, Chairman of the Board L. M. CAMPBELL, President E. PAUL WILLIAMS, Executive Vice-President & Trust Officer BOONE LOGAN, Vice-Pres. and Cash. E. W. SEATON, Vice-President S. G. CLICK, Vice-President C. E. PICKLESIMER, Asst. Vice-Pres. PAUL GRUMBLES, Asst. Cash. and Tr. Off. JOSEPH C. KING, Assistant Cashler FORD DIXON, Auditor Member Federal Reserve System and Federal Deposit Insurance Corporat

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### Investor's Decision on British Equities and Government Loans

Current switch from equities to bonds in Britain is held to be a temporary affair which will reverse itself in not too many months as profit-squeeze ends and price-level rise resumes. The author also notes that the optimism for governments reflects anticipated further decline in interest rate and bank rate. But in taking a long run view, he is pessimistic about government loans and, for example, points out that even a highly conservative investor as the Church of England has substituted equities for bonds in its portfolio. As for a possible Labor Party victory, he propounds different effects on securities various socialist measures might have if instituted.

widespread expectations, the ris- has concluded no contract with ing trend in equities that was Providence to ensure that this

throughout 1958 came to an abrupt halt soon after the turn of the year. There was a surprisingly sharp reaction which could not be explaned solely on the ground of profit-taking after a prolonged rise. What was



Or. Paul Einzig

even more unforeign buying inspired by the the firmness of sterling that followed the change.

There was a certain amount of investment-switching from equidifference in the yield on the two types of securities. Many invesnumber of people swear by it. are liable to fall. As far as capital consider its political aspects. If,

LONDON, Eng. — Contrary to In reality the Stock Exchange proceeding with few interruptions rule must necessarily apply in perpetuity. Circumstances might well arise in which the difference could disappear altogether, and in which the yield on Government leans could even rise permanently and substantially above the yield

#### Predicts Lower Interest Rates

on equities.

The assumption that the existing difference is too narrow would be justified if 1959 proved to be a year of deflation. That would mean a lowering of interest rates causing a rise in the gilt-edged market and a decline in industrial profits causing a fall in equities. Beyond doubt a further decline in expected, simultaneously with the short-term interest rates in Britsetback in equities there was a ain may safely be anticipated. Folsharp recovery in the market for lowing on the successful return Government loans, especially in to convertibility the authorities long-dated and irredeemable may now consider it safe to restocks. This was due in part to duce the bank rate once more. Taking a very short view, therefor some degree of optimism about

the immediate prospects of equities to Government loans as a ties are not altogether unreasonresult of the narrowing of the able, even though the year 1959 capital into equities there can be as a whole will be a year of inflation and will witness a further to remain at reasonably high tors regard it as a golden rule rise in prices. During the next prices. They have to decline to that whenever the difference de- few months, however, it is not clines to an unusually low figure certain whether industrial firms it is time to switch into Govern- will be able to pass on to the ment loans. This rule operated consumer the increased costs rereasonably satisfactorily in the sulting from wage increases.

goods industries are concerned it as seems possible, the Berlin situmay take some time before infla- ation should lead to a crisis during tion will be able to revive demand the spring it is bound to affect on the same scale as witnessed in recent years.

the influence of wage increases on consumer demand is bound to prevail. Industrial firms will be once more in a position to pass on to the consumer all the in-creases in their costs and to secure unfavorable to equities. Fears of a wider profit margin. This will nationalization without adequate creases in their costs and to secure lead to an increase in the demand for equities and to renewed unpopularity of Government loans. The present switching over to the latter is only justified on the shortest possible view.

### No Reprieve for Government

Taking a long view there can be no reprieve for Government loans and other fixed interestbearing securities. Wage inflation has condemned them to depreciation not only in terms of money but much more in terms of purchasing power. Holders are doomed to be hit both ways. They will have less pounds, dollars, etc. to spend and the purchasing power of their monetary unit will decline. It is difficult to visualize a situation in which Government loans could be saved from such dual depreciation.

It may prove to be profitable in the short run to take advantage of temporary rallies in Government loans, but investors who are concerned with the long view are gradually switching over to equities. In 1953 the Church Commissioners of England held British Government loans to the amount of £89 million and equities to the amount of £21 million. By 1958 their holding of British Government loans declined to £20 return to convertibility and by fore, there may be justification million and their holdings of equities increased to £73 million. the prospects of Government loans. If a highly conservative investor Likewise, second thoughts about such as the Church of England undoubtedly has deemed it advisable to transfer the bulk of its little hope for Government loans levels at which they attract speculators aiming at profits through temporary rallies.

So far we have been dealing with the economic aspects of the relative merit of equities and past and for this reason quite a Profit margins in many industries Government loans. Let us now

both equities and Government loans. There is nothing much to Before many months, however, choose between the two from that point of view. On the other hand, should the political factor assume the form of a Socialist victory at the General Election the immedicompensation, additional taxation, and other anti-capitalist measures are liable to cause a fall in equities even before the election unless the Gallop Poll and other indications point clearly towards a Conservative victory. On the other hand, it is the declared intention of the Labor Party to pursue a policy of cheap money that should benefit the gilt edged market.

#### Advises Against Bonds with Socialism

Looking further ahead, however, a change of Government need not necessarily be adverse to equities. Cheap money and the abandonment of the resistance to inflation is liable to increase industrial profits. Moreover, it is the declared intention of the Labor Party to buy up the control of a large number of leading industrial firms and this demand is bound to put up the prices of equities. At the same time the rise in Government loans is likely to be checked as and when Socialist policies lead to a balance of payments crisis. Taking a long view, therefore, the preference for Government loans is not justified even on the anticipation of a Socialist

#### Form Mutual Securities

ABILENE, Texas - Mutual Securities, Inc. has been formed with offices in the Mims Building to engage in a securities business. Officers are Robert D. Grisham. President; James R. Jennings, Vice-President; and Mitchell T. ated with Harris, Upham & Co., Broyles, Secretary-Treasurer.

### Lee M. Limbert to Be Dean Witter Partne

On Feb. 1 Lee M. Limbert will become both a general and limited



Lec M. Limbert

partner in Dean Witter & Co., 14 Wall Street, New York City, members of the New York and Pacific Coast Stock Exchanges. Mr. Limbert for many years was an officer of Blyth & Co., Inc.

### Roland Merrell, V.-P. Lee Higginson Corp.

Roland Merrell has been appointed Vice-President of Lee Higginson Corporation, 20 Broad Street, New York City, members of the New York Stock Exchange. Mr. Merrell is Manager of the firm's syndicate department.

### Shearson, Hammill Co. **To Admit Henry Reed**

Shearson, Hammill & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, on Feb. 1 will admit Henry W. Reed to partnership.

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January 9, 1959

### Keeping America a Land of Opportunity

By R. PERRY SHORTS\* Second National Bank of Saginaw, Saginaw, Mich.

Michigan banker pinpoints the present dangerous features of our economy and laudably predicts President Eisenhower will be recorded in history "as one of the outstanding great men of our time-and one who came when he was needed." Mr. Shorts advises young men seeking their opportunity to practice "old-fashioned honesty," thrift and hard work; deprecates pressure groups, and terms "sound money" our greatest problem of the day in the financial field.

exceptionally brilliant to make a good living here. Our country is a land of opportunity where every man has a chance to rise and win his share of its manifold blessings to mankind, All you have to do is to use



your Godgiven brains and follow the simple formula of Thrift, Hard Work and Old-Fashioned Honesty.

If you can't save money, Boys,

Surely, we are living in the you haven't a chance of much grandest Nation in the world. To success. Every fortune you see is our sons, to every young man I proof positive that somebody worked and saved. What you would say-you don't have to be earn is not so important - it's it without any bloody revolution. what you save that counts. Also, Hard Work is essential. Every outstanding man in every trade and profession is a "Hard Worker"-make no mistake about that. And you must be Honest, in order to maintain a good reputation. Nobody will trust you far or long -unless you are honest.

#### Free Enterprise vs. Socialism

And the grand thing about it all is that the great majority of our people have always been thrifty, hard working and honest — and their combined thrift and labor and integrity throughout the years, coupled with Free Enterprise, have built up the strongest nation in the world. Critics may attack our Free Enterprise Svstem, but no one can successfully and that kind of money spells attack the standards of living it \*A New Year's Day Toast by Mr. provides—broadest ownership, Shorts at the Saginaw Club, Saginaw, highest wages, and greatest

life. Back in ancient times, its ideals. Horace, the wise old philosopher, said, "If a better system is thine, impart it; if not, make use of mine." This is America's challenge to the world today.

And don't let any politician tell you that our low income groups can't share in our prosperity. The top men in scores of our large corporations today were once poor boys who saved their money, bought their companies' stock and then worked like beavers to climb to the top. Any man who has saved \$100 can now buy shares in almost any business corporation in America. Right now, we have an economic system that beats Statism and Socialism and Commuthemselves can even buy control dangerous threat to its survival. of their own corporations—and do All they have to do is to save their money and invest it wisely. They will then be running their own lives-and not slaving for a

Every young man should quickly learn that the only allurement that Socialism has to offer is a promise of greater abundance in exchange for freedom-but history shows that abundance and freedom for the people never go together. There just isn't enough "abundance" to go around. He should also soon discover that the government hasn't any money to hand out to people, except what it collects in taxes from the people themselves, unless, of course, it manufactures it against government debt, or simply prints it -

The true welfare of our people rests on economic grounds. When business prospers, we have pros-perity — more wealth, more factories, more goods, more jobs—and every law that hurts business hurts everybody. There is more danger in Big Government than in Big Business. It is Free Enterprise that promotes our industries. furnishes our jobs, and passes prosperity around. And so surely, it is our patriotic duty to preserve Free Enterprise in our Nation and not permit socialistic philosophies

#### Pressure Groups

After the Revolutionary War when the American Colonies had finally won their independence, Benjamin Franklin said "You have won your freedom - now keep it." And in 1857 (over 100 years ago), Macauley, the great English scholar, expressed the opinion that while our Democratic form of government was ideal in theory, "Your Constitution is all sail and no anchor." He then predicted that Pressure Groups would gradually pressure our government to give up its 'seed corn" for their special benefit and thereby bleed and weaken nism a mile; where our workers its structure and constitute a

These predicted Pressure Groups are now growing by leaps and bounds. There are Veterans' Groups, Farm Groups, Labor Groups, Pension Groups, Educa-tion Groups, Foreign Aid Groups, dictator or a group of bureaucrats, and a host of others-and they are constantly demanding from the government more and more costly benefits. They practice the slogan of the old horse-and-buggy days

"The wheel that squeaks the loudest gets the grease"-and few lawmakers have the courage to refuse to spend taxpayers' money when large groups of votes are at stake. In the last five years, government spending on agriculture alone has more than doubled and now amounts to over \$1,000 for every Farm in the country.

And then there are Co-operatives and Mutual Associations (hundreds of them of every nature and description) transacting billions of dollars of business per year and being allowed hundreds of millions of dollars of unfair tax advantages over our full taxpaying businessmen against whom they compete. They are not concerned with the government's ment can stop it.

loss of revenue—but only with Inflation is the politicians' cockretaining their freedom from tail to keep the people happy taxes. The Pressure Groups increase our outgo, and the Co-ops bers belong to these Pressure to pay for it), your hard earned Groups and Co-ops and they are dollar goes lower and lower. If

abundance of the good things of to weaken its structure or divert working day and night to increase their representation in our legislative halls, both State and National. Isn't it about time we put an anchor in our laws to prevent discrimination and restrain the power of organized minorities?

Furthermore, these Spenders on the one hand and tax-advantageseeking Co-ops on the other, are not Jeffersonian Democrats (for Jefferson advocated government economy and pronounced "public debt as the greatest of dangers"), and they are not Lincoln Repub-licans (for Lincoln stood for equal rights for all)—and yet they are demoralizing both parties and threatening the stability of our government. If Democracy means anything surely it means Tax Equality and equal privileges for all. I have no fear of our ability to meet and defeat any foreign foe - it is group attacks from within that worry me.

#### Sound Money

An in the financial field, I believe our greatest problem of the day is the Defense of the Dollar. Even the Communists work on the theory that the quickest way to ruin a country is to destroy its currency. Never before has our United States Dollar been worth so little as it is today-and never before has our debt been so large (and Socialistic ideas usually grow as a Nation's debts grow). Monkey with the Nation's currency and you jeopardize all values. Our Government started this inflation when it took us off the Gold Standard in 1933 and began its "Pump Priming" and spending sprees-and it can never stop it until it restores Sound Money again and quits spending more than it takes in. Only the Government can start widespread inflation-and only the Government can stop it.

while it ruins them-and yet these Spenders know that everydecrease our income - and the time they vote another pension, ones who suffer are the full-tax- another bonus or another price paying citizens. Millions of mem- support (without providing means

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our money today were depreci- made by war, Peace Heroes by ated since prior to World War I peace and World Statesmen by it all is that this basic immorality which makes our Government's promises worth less and less, is rarely even considered by many of our politicians today. My earnest hope is that some day before it is too late, our Government will declare and enforce as a National policy—free and fair needed. competition resting upon Sound and Stable Money—and thus permit our country to sail proudly on to ever enlarging Strength and Freedom and Progress.

Here then, are some of our namen are facing. Study them careclimbed by protest." And also remember the words of Edmund world, is for enough good men to do nothing.'

#### Our Nation's Leadership

Nation has developed. Thirtythree men have occupied the Pres-

It is one of the tragedies of of the enemy. American history that the greatness of our greatest men has not Dwight Eisenhower came home. been fully recognized until after In 1956, he was elected President death had closed their careers. So of the United States-and from it was with Washington and Jef- that time on has devoted his unferson and Lincoln—and so it will tiring efforts even beyond his be with President Eisenhower. physical strength, to the promo- have opened a branch office at It seems that greatness cannot be tion of "Peace on Earth," and the Northeast Public Square, under In its presence, our eyes are for our people-and Efficency, Fowler, Jr. dimmed. You cannot see a moun- Solvency and Morality for our tain if you stand too close.

As in business, a man's net Just one more thought. At this worth is measured by the surplus crucial time, when our whole sys-

\$100 would buy about 2 pounds of "Great men always come when hamburger. But, of course, the they are needed." To my mind, politicians don't like Sound President Eisenhower has been a Money because it restrains their great War Hero, a great Poncilla of the state of great War Hero, a great Peace Free Nations of the world will Hero, and a great Statesman in stand together to establish and the cause of World Peace—and I maintain enduring freedom for believe that a few years hence, when political prejudices have "Ye who have faith to look with been forever washed away by the fearless eyes purifying waves of time, history will record him as one of the outstanding great men of our timeand one who came when he was

His whole life has been one of Rejoice, whatever anguish rend inselfish service—first to his \_\_your heart, unselfish service—first to his Country, and then to the Free World at large. In the early '40s, world was war, and the vast battional problems which our young tles had thus far gone overwhelmingly in favor of the Axis Powfully, protest against the wrong ers; when the Allies decided as and fight for the right, always a last resort to pool their Euro-keeping in mind that famous pean forces and launch one cowarning—"To sin by silence when lossal attack against the enemywe should protest, makes cowards it was Dwight D. Eisenhower out of men. The human race has whom they selected as the Supreme Commander of their combined armies and navies and air Burke: "All that is necessary for forces. The voluntary concentrathe forces of evil to win in the tion of such stupendous faith and power into the hands of one man Stock Exchange and on Jan. 22 had never before been known. This battle was, no doubt, the greatest physical conflict in the And now, let us consider the history of mankind for on its outleadership under which our great come rested the continued life of 47 allied nations throughout the world and the freedom of hunidency of the United States-and dreds of millions of people (inonly 3 are still alive. Today we cluding you and me)-and the reare toasting our present Leader. sult was unconditional surrender

Government.

Just one more thought. At this of his assets over his liabilities, tem of Government is being chalso in history, a great man's net lenged by a foreign power, let us worth must be measured by the rededicate our lives to our counexcess of his accomplishments try and its ideals of freedom—the securities business. Mail address over his failures. War Heroes are noblest cause we know. Though of the firm is P. O. Box 2905.

our vision may now be obscured by turmoil of the times and our spirits sorely tried by the ap-parent strength of evil, yet we have faith that the dawn is surely breaking on the day when the mankind.

fearless eyes

Beyond the tragedy of a world at strife, And know that out of death and

night shall rise The dawn of ampler life;

That God has given to you the priceless dower when the chief business of the To live in these great times, and

bear your part In Freedom's crowning hour; That ye may tell your sons who see the light

High in the heavens, their heritage to takesaw the powers of darkness put

to flight: I saw the morning break."

#### Jacquemot to Admit

Francis J. Wiest will acquire a membership in the New York will become a partner in Jacque-mot & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

### New De Haven Branch

JENKINTOWN, Pa.—De Haven & Townsend, Crouter & Bodine have opened a branch office at the enemy.

After World War II was over, agement of Warren G. Ewin and George A. Buffum.

#### New Grimm Branch

CARLISLE, Pa.-Grimm & Co. have opened a branch office at discerned except from a distance, preservation of Free Enterprise the management of John B.

### Chas. Gordon Securities

HONOLULU, Hawaii - Charles Gordon Securities, Limited has been formed here to engage in a

### James A. Hutchinson, Jr. With Northeast Distributors

(Special to THE PINANCIAL CHRONICLE) BOSTON, Mass. - James A. Hutchinson, Jr. has become associated with Northeast Distributors, 50 Congress Street. Mr. Hutchinson was formerly for many years a partner in Hutchinson & Company.

### H. M. Bennett Opens

previously with McCormick & Co. Bark & Co.

### Midland Investors Open

COLUMBUS, Ohio - Midland Investors Company has been formed with offices at 52 East Gay Street to engage in a securities business. Officers are Robert S. Jones, President, and William W. Ellis, Jr., Secretary-Treasurer.

### Forms Gulf Inv. Co.

LAKELAND, Fla.-Richard A. Mosco is conducting a securities LOS ANGELES, Calif.—Harry business from offices at 811 East M. Bennett is engaging in a se- Lexington Street under the firm curities business from offices at name of Gulf Investment Co. He 4102 West Fifth Street. He was was formerly with Douglas E.

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### A MESSAGE TO YOU - IF YOUR TAX BRACKET IS 50% OR HIGHER

year ago, under this same caption, we highlighted the attraction of GRINNELL CORPORATION (then around 100) predicated on income tax considerations to holders in the higher brackets.

Apparently the point then made was recognized as sound by discerning investors. GRINNELL is now selling over \$200 a share. A similar opportunity, we believe now exists in the stock of AMERICAN NATIONAL INSURANCE COMPANY based on the same considerations which gave GRINNELL its

appeal — proven management, a leading industry position, plus certain elements of strength not generally recognized.

We remember when life companies were selling not too long ago at 25 to 30 times reported earnings while growth industrials sold at 20 to 25 times. Today so-called growth stocks sell 30 to 35 times earnings but the life stocks are still available at a 25 to 30 times multiple.

Clearly the current buyer of quality life stocks has a two-fold advantage, since

- (1) The industry is relatively insulated from economic swings on the one hand, and
- (2) The investor acquires his position today on a more normal price-earnings relationship as opposed to the boom price-earnings ratios expressed by the blue-chip industrials.

Investment advisers, fiduciaries and trustees supervising trust or investment accounts primarily interested in capital appreciation may write or phone Mr. P. T. Scattergood at our Philadelphia office to get our views as to why we believe AMERICAN NATIONAL INSURANCE COMPANY offers substantial capital gain potential.

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### Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR. =

for by most money market spelicized \$2,000,000,000.

used to raise the bulk of the new position to meet the attrition that money (\$2,500,000,000) also was could come out of the \$15 billion pretty much what the money refunding operation of February. market had been expecting. This issue was used as a replacement for the Treasury bills which had been used to raise needed new

#### Later Needs Anticipated

The Treasury in its new money Treasury that it was decided to raising operation, stayed very obtain the additional funds at this much with the conventional type time so as not to disturb the of financing. The offering of a money market with additional 21-year bond in a modest amount cash offerings before the end of (\$750,000,000) did not surprise the March. As a result, the Treasuray financial district too much since will cut back its weekly offering a real long-term issue was looked of bills, with the regular 91-day issue being reduced to \$1,400,cialists. The one element of sur- 000,000 while the 182-day obligaprise in the new money flotation tion will be held at \$400,009,000. was the amount of money the This decrease in offerings of Treasury asked for; namely, Treasury bills will begin on Mon-\$3,250,000 instead of the well pubday, Jan. 19. By obtaining the cized \$2,000,000,000.

The 16-month note which was the Treasury will also be in a

#### **Highest Bond Rate Since** First World War

The 4% Government bond, due Jan. 15, 1980, is the first long-term obligation the Treasury has offered since last June, and the The \$750,000,000 of 4% bonds, rate is the highest paid since the due Feb. 15, 1980, were offered fourth Liberty bond of World by the Treasury at 99 to yield War I. The uptrend in money 4.07%, and the \$2,500,000,000 of rates in the past months is re-3.25% notes, due May 15, 1960, flected in the higher cost the were priced at 99¾, to yield Government has had to pay for its 3.45%. The total amount of the new money borrowings and there Treasury borrowing of \$3,250,000,- are no indications in sight yet 000 was considerably in excess of that the large February refunding the \$2,000,000,000 to \$2,500,000,000 will see any reversal of this trend. which the financial area has been It is believed in most quarters led to believe the Government that the monetary authorities will would borrow in its new year not be making any changes in money raising venture. It was policy as long as the pressure of explained by a spokesman for the inflation is as strong as it has

been. Also, there are indications that the fears of inflation are not going to be lessened very much as long as there is so much concern about the future purchasing power of the monetary unit.

#### Bond Issue Well Received

The 21-year 4% bond which was offered in the amount of \$750,000,000 was not a large issue and had appeal for those that were interested in putting money into a savings type of obligation. It was made to order for pension funds, both the private and public ones, as well as certain savings and loan associations and savings banks. It is also indicated that individuals in not a few instances went in for the 4% government bond—not only with new cash, but also with funds which were obtained from the sales of other Treasury issues and from savings accounts. Commercial banks, with sizable savings deposits, were also reported to have been among the important buyers of the new 4%

The instalment plan, which adds to the attractiveness of the new 4% bond, calls for payments of 25% by Jan. 23, the issue date of the bond; 50% by Feb. 24, 75% by March 23, and full payment by April 23. This kind of payment will appeal to those buyers that are not in the commercial bank or individual classification.

#### Note Yield Attractive

The 16-month note also found buyers among commercial banks, particularly the institutions that have important amounts of savings deposits. It was evident that the return of 3.45% for the 16month note also made it an attractive obligation, although there are presently outstanding Government issues with comparable maturity dates which give a better after tax yield. It is also reported that some of those institutions that had been buyers of the 182day bills went into the 3.25% note because of the more favorable

### Foster & Marshall to **Admit Four Partners**

SEATTLE, Wash. - Foster & Marshall, 820 Second Avenue, members of the New York Stock Exchange, on Feb. 1 will admit Leo E. Sandstrom, John K. Marshall, A. Joseph Peaper, and Kurt H. Olsen to partnership. Mr. Sandstrom and Mr. Marshall will make their headquarters in the firm's Spokane office, in the Fidelity Building. Mr. Peaper will make his headquarters in the Portland office, Southwest Sixth Avenue at Oak Street, and Mr. Olsen in Eugene, Oreg., 55 West 10th St.

### L. F. Rothschild Co. **Celebrates 60 Years**

L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange, are celebrating the 60th anniversary of the firms founding

In addition to the home office the firm maintains two offices in up-town New York City, Boston, Chicago, Montreal, Philadelphia, and Rochester, and a foreign representative in Geneva.

### John W. Curtis

John W. Curtis passed away Jan. 7 at the age of 79. Mr. Curtis was President of the old New York Curb Exchange (now the American Stock Exchange) from 1924 to 1926.

### **New Hutton Office**

LOS ANGELES, Calif.-E. F. Hutton & Co. has opened a branch office at 4155 Wilshire Boulevard under the management of Darrell J. Bogardus, Jr.

### **Gruftenden, Podesta Admits Five Partners**







eral partners have been admitted pany. into Cruttenden, Podesta & Co., 209 South La Salle Street, Members of the New York and Midwest Stock Exchanges, Robert A. Podesta, Managing Partner, has

They are Donald Wales, Donald R. Bonniwell, James R. Cruttenden, Whitney M. Sewart and William C. Karlson. The latter four men have been associated with the firm for a number of years.

Mr. Wales was formerly a partner in Security Supervisors, investment counsellors and managers of Selected American Shares, a mutual investment fund. Earlier in his career, he was Co. and an investment analyst for direction of Robert S. Rhodes.

CHICAGO, Ill.—Five new gen- the Continental Casualty Com-

Mr. Wales is a lecturer in finance at Northwestern, a staff contributor to Finance Magazine, and a member of the American Finance Association.

### New Honolulu Office

HONOLULU, T. H.-Walston & Co., Inc., has opened a branch office at 2161 Kalakaua Avenue. Waikiki Beach, under the management of Richard M. Botts.

### Amott, Baker Branch

POMPANO BEACH, Fla.-Amott, Baker & Co., Incorporated has opened a branch office at 121 an analyst with Glore, Forgan & Southeast 13th Street under the

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### Continued Improvement Expected In Steel Production

By MAX D. HOWELL Executive Vice-President, American Iron and Steel Institute, New York City

Spokesman for iron-steel details why the industry's dynamic velopments will continue in 1959. Notes, however, impact of steel imports, rice of hourly labor costs and fact that total wages and salaries in 1958 did not drop as fast as output.

be 100 to 110 million net tons of ingots and steel for castings, bar-ring unforeseen interruptions, compared with about 85 million tons during 1958 and 117 million tons in the record year 1955. In recent



Max D. Howell

months, the output has come a long way up the recovery road. Monthly production was 55% higher in the products. month of November as compared to the low point last April. About nine million tons more steel was made in the last half of 1958 than in the initial six months of the

The net earnings of the iron and

The uptrend in iron and steel 1958, despite the rising rate of opproduction will continue during erations. They were up 2% as 1959. The new year's output or compared to second quarter of ingots and steel for castings will 1958 and down 26% as compared

to the third quarter of 1957. In the first nine months of 1958 the profits were 44% below the total for the corresponding part of 1957. These figures are reported to American Iron and Steel Institute by companies representing around 93% of total steel output.

#### Steel Imports

Recent increases in the amount of iron and steel products being imported into the United States have been the cause of considerable concern, especially in the Seaboard areas. The advantage of total exports over imports has steadily decreased, and the ad-vantage has virtually disappeared in the case of certain individual

Undaunted by the somewhat lower production rates, iron and steel companies have gone ahead with a wide variety of capital improvement programs. They are better equipped than ever before. Among the principal new projects are rolling mills of various types steel industry were only slightly and sizes, sintering plants, con-higher in the third quarter of tinuous annealing lines, research

centers, another new oxygen steel- cluded: the growing use of selfother facilities.

Steelmaking capacities have also been increased. As a result, the national steelmaking potential will probably rise to a record high annual level at the start of 1959. The amount of the increase will be announced later.

#### Labor Costs

Despite the fact that steel production declined 25% in 1958, as compared to 1957, the estimated average hourly payroll cost for wage earners in the iron and steel industry increased about 10% during the same interval. Employment cost per hour worked by production and maintenance employees rose from \$3.216 in 1957 to \$3.471 during the first half of 1958, and approximately \$3.60 during the second half of 1958. As compared with the first half of 1956, just before the current three-year agreements were concluded, wage and related costs per hour worked rose from \$2.855 to approximately \$3.60 in the latter part of 1958, an increase of 74.5 cents or 26.1%.

Included in these costs are company contributions to pensions, insurance, social security, and supplemental unemployment benefits, which are now more than six times as high as they were in 1949.

The estimated 1958 payroll (wage and salary employees) of companies reporting to American Iron and Steel Institute was over \$3.3 billion, as compared to \$3.8 billion during 1957. This is a decline of about 13%, against the drop of 25% in steel production between 1957 and 1958. The estimated average employment during 1958 was 522,000.

(The figures above cover employees directly engaged in the making and sale of iron and steel, in companies accounting for 94.9% of the 1958 steelmaking capacity of the industry. They do not include employees in other activities. On the basis of the reports from these companies, it is estimated that the 1958 payroll of the entire iron and steel industry [hourly and salaried employees engaged in the making and sale of iron and steel] was \$3.5 billion, while the employment was 550,-

### Russian Steel Industry

During the past year, much knowledge was gained about the Russian steel industry. An American delegation of steel and iron ore experts visited the Soviet Union. Later a Russian delegation came to the United States.

Although the Soviet steel industry is only about 40% as large as the steel industry in the United States, it is operating at capacity and produced about 60 million net tons in 1958. Furthermore, it has extensive long range plans for expansion. It will play an important part in Russia's determination to defeat the United States in an economic war of great dimensions. Russian steel products can be expected to appear in increased volume in world markets. Most of these exports will be heavy steel products.

In 1958, for the second year, the steel industry, at its own expense, cooperated with the Government of India and The Ford Foundation, at the request of the United States Department of State, in providing practical management training to a substantial number of carefully selected engineer trainees from India, who will operate the rapidly expanding Indian steel industry in the years to come.

### Dynamic Developments

During 1958, the iron and steel industry's technological progress went forward at a rapid rate in areas of practical value in the United States. Developments in-

making plant, as well as many fluxing sinter in blast furnaces; utilization of the vacuum casting process for quality steels; improved methods of beneficiating iron ores; progress in direct reduction processes; increases in the output of steel by the oxygen process; the development of design information for steel structures; improvement of coking coal quality, and growth of con-tinuous annealing of tin plate. Iron ore explorations were widened and new ore sources developed.

> Each company in the iron and steel industry is striving to keep abreast of the march of progress. The industry's dynamic development will continue in 1959.

### Fane Opens Branch

JERSEY CITY, N. J.-L. I Fane & Co. has opened a branch office at 2322 Hudson Boulevard under the direction of I. B. Sil-

#### Jaffee, Leverton Admit

Jaffee, Leverton, Reiner Co., 39 Broadway, New York City, members of the New York Stock Exchange, on Jan. 15th will admit Jack E. Schuss to partnership.

#### Sincere Co. Branch

GAINESVILLE, Fla. - Sincere & Company has opened a branch office at 243 West University Ave. under the management of A. Burdett White.

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Continued from first page

### As We See It

Typical Examples

of capital improvements in reach a rate of \$1 billion per our cities will total over \$2 year."

Democratic party whose unions, but "administrative provements, purchase and inmembers are flushed with victories will total over \$2 year." ure is double the expenditure of two years ago." Without coming up with constructive proposals, he points out (this

\*See "State of the Union Message" starting on page 29.

economic sins of recent years hands surplus farm products gentle persuasion. and to the crisis to which they worth about \$9 billion. And have brought us.\* With ap- by July 1, 1959, government so far as government is conparent approval he says that expenditures for storage, in- cerned seems to stem not from "Federal grants and long-term terest and handling of its what the Administration does loans to assist 14 major types agricultural inventory will or does not do, but from the

> It is particularly unfortunate that the President, dea number of projects which,

whether or not they burden nipulators were too shrewd to thus bring future suffering the official budget, can hardly press demands during the de- upon ourselves? That is the fail to have a similar effect pression months when they upon the economy if, as is would be at a great disadvan- faced squarely as the year, more or less certain, they are tage, but it is now plain as a 1959, gets under way. alleged need for "bold" and time with obvious uneasiness carried forward by use of pikestaff that they were "imaginative" action without not to say dismay) that "out- funds which have been arbi- merely awaiting a more prodelay - and, we are afraid, lays of the Department of trarily created by the com- pitious setting for their dewithout much sober study — Agriculture for the current mercial banks. It is likewise mands. Meanwhile, they have certainly do nothing to reas- fiscal year for the support of unfortunate that the Presi- been active in politics with sure the thoughtful observer. farm prices on a very few dent, apparently in a sober the result that the election refarm products, will exceed \$5 mood, has nothing more to say turns greatly discourage any billion. This sum is equal to about the behavior of the action or word from Wash-The President himself, with approximately two-fifths of labor unions than he has said ington, barring, of course, no clear record of loyalty to the net income of all farm before - mere exhortation to some general condemnation of Bache & Co. time-tested principles of operators in the United labor and business to act with corruption and the like. sound public policy in such States. By the end of this moderation. Monopolies, matters as these, has called fiscal year it is estimated that whether among wage earners sharp attention to some of our there will be in government or capitalists, rarely yield to

origin to a desire of the rank a level to yield unreasonable tal. and file to reinstate much of spite his strong words about the New Deal and the Fair happen only if there is lack of manufacture of specialty hose, moderation in fiscal affairs, Deal—with the word "moder-competition, so the story goes, hose fittings and hose assemblies moderation in fiscal affairs, Deal-with the word "moderproceeds himself to advocate ation" omitted from the dic-a number of projects which, tionary. The President has come forward with the promise of a balanced \$77 billion budget; the opposition is not even waiting to see what is in lowers of false economic gods vides engineering service for the the budget message, but is screaming that any such idea is "unrealistic," and those of that the obvious and bald The company's executive offices them to whom a balanced monopoly exists. budget is anathema in its own evolve the sort of "bold" New way, to add to those ills and \$1 par value. Deal program they would like to see made official.

**All Demand More** 

In such circumstances virtually every interest or element in the population which already has its hand in the public till is demanding more. Sometimes it is a plea to take into consideration the rise in the cost of living; sometimes it is merely an unblushing appeal for more. Many of the newly elected members of Congress made promises of greater liberality in largesse as keynotes of their political campaigns. If the President is in the event able to keep Federal outlays in fiscal 1960 within hailing distance of \$77 billion, it will be hardly less than a miracle. Public hysteria about space explorations and the like bid fair to demand much larger outlays in a field already taking billions of the hard-earned funds of the taxpayers.

New Dealers have already worked out their arguments to defend themselves against charges that by aiding and But the big danger this year abetting labor unions, they are so they now say, is not the reprofits. This, of course, can principally in the design and and hence big business must be attacked and made the villain of the piece about in- It also fabricates from similar flation. It appears all but fu- resins various related products tile to point out to these fol- for use in such systems, and prothat it is in the field of labor in which its products are used.

The recession failed to re- Roseland, N. J. right are stating their determove the economic ills which financing, outstanding capitaliza-

question which should be

### **Bache Group Offers** Resistoflex Common

Public offering of 100,000 shares of Resistoflex Corp. common stock at a price of \$31% per share is being made today (Jan. 15) by an underwriting group managed by

Of the total number of shares being offered, 50,000 shares are being sold for the account of the company and 50,000 shares for the account of a selling stockholder, Edgar S. Peierls, President of the company.

Net proceeds from the sale of fomenting inflation. Inflation, the 50,000 shares of common stock by the company will be added to sult of deficit spending or its general funds and used for monopolistic demands of labor various corporate purposes, intory which they think owes its arbitrary setting of prices at equipment, and for working capi-

and principal plant are located in

mination to proceed, without reference to the budget or mit receivery already under financing, outstanding capitalization of the company will consist what they may do to it, to mit recovery, already under of 614,878 shares of common stock,

This announcement is under no circumstances to be construed as an offer to sell or as a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

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But the hazards of the year are by no means confined to Washington even if some of those threatening from other quarters can in one degree or another be attributed to what has and what has not been done in the nation's capital. It is no longer possible to doubt that the upward pressure upon wages is still present and virulent. Labor ma-

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### **Outlook for Real Estate Securities Market**

President, Amott, Baker & Co., Inc., New York City

Mr. Baker reviews past performance of real estate security prices and charts their future. Claims: the immediate outlook is anything but unfavorable; over the longer term values could rise substantially from their present level; and commercial real estate in well situated growing communities still offers strong hedge against inflation.

Certainly, economic conditions at that time left much to be desired. Today, the business climate is greatly improved and for some months now we have been recovering rather rapidly from the recession



which had pretty well run its course by the late spring of 1958.

fered the following comment for lished monthly for more than two the future: "Today, the real estate decades—tells the story simply securities market offers investors and convincingly. In the 12 months

When I last reviewed the real over, the market's present average estate securities market a year level provides a strong base from ago, the business outlook was which large capital gains could poor and we were well on our be realized in the future. Prudent way into a investors should begin now—recession. of investors, in general, remain-depressed—to accumulate real estate equity stocks and bonds of the better grade, well managed realty companies."

While I, of course, have been in no way responsible for the economic recovery that has taken

#### Cites Real Estate Indexes

Just what does the record show? In concluding my summary of Bond and Stock Averages—two the activities of the real estate sensitive market indices which securities market for 1957, I of- our firm has compiled and puba broad selection of buying op- ended Dec. 31, 1958, our 19th is-portunities at good yields. More- sue real estate stock index re-

corded an average gain of 30.2% For the same period, our real estate bond index (comprised also of 19 representative issues) moved ahead 6.2%. During this period the average price of the 19 stock issues climbed from 33½ on Dec. 31, 1957 to 435% on Dec. 31, 1958, while the bond averages recorded an advance of from \$828 per \$1,000 bond at the beginning of the year to \$880 at the close of 1958.

In the classification by type of property, the percentage changes for the year were: six hotel stocks—up 41.4%; six apartment and apartment hotel stocks—up 41.8%; seven office building stocks—up 12.2%; three hotel bonds — up 4.4%; four apartment hotel bonds -up 2.5%; four apartment building bonds—up 3.9% and eight office building bonds—up 12.2%.

Among the more active indi-vidual stock issues those which recorded the sharpest price gains in 1958 were as follows: Hilton Hotels Corporation common—up 16% points to 33; Sheraton Cor-poration of American common economic recovery that has taken up 8¾ points to 18¾; Statler Helen Slade, she wrote widely place these past six to eight Hotels Delaware Corp. common— for financial magazines and apmonths, it is a fact that investors up 4¾ points to 10; Knott Hotels peared in numerous panels and who had the foresight and cour-Corporation common — up 5% age to buy real estate securities points to 22; General Realty & a year ago have reaped substan-Utilities Corp. common — up 5½ tial profits.

Utilities Corp. common — up 5½ points to 20% ex a liquidating dividend equivalent to approximately 3 additional points; Lexington Avenue & 42nd Street Corp. (Chanin Building, New York) class D common—up 91/4 points to 241/2, and 551 Fifth Avenue "Units"-up 91/2 points to 53.

Among the real estate bond issues, some of the largest yearto-year gains were recorded by the following: Chanin Building second moregage 2s, 1970, with stock—up 25 points to 122; Chanin Building third mortgage 1s, 1970, with stock—up 21 points to 122; 165 Broadway Building first 4½s, 1958—up 10 points to 80; Kramon Development Corp. first fee and leasehold 41/2s, 1962—up 8 points to 87; Madison 52nd Corp. first leasehold 5s, 1962—up 6 points to 90 and Allerton New York Corporation income 5s, 1965, with stock—up 5 points to 97.

The sharp recovery in real estate security prices in 1958 reflects the early awareness of investors generally to the demise of the short-lived business recession, a prudent evaluation of the stability and vitality of well situated real estate in our economy and the longer term effects of our chronic inflation problem.

Near and Future Outlook

While it is problematical that real estate securities prices will continue their upward climb at the same rate in 1959 as in 1958, the immediate outlook is anything but unfavorable and over the longer term values could rise substantially from their present level. Those who are concerned with the so-called excess capacity in our economy are overlooking the needs of the future and the great period of expansion that lies ahead. Our rapidly growing population is but one indicator of the increased amounts of consumer durable goods, additional housing and business facilities that will be required. Add to this the vast technological changes that are going on in business and manufacturing, the necessary increase in our public works programs, the huge military budget that must be maintained and it is not difficult to foresee that the future curve of our economic growth, apart from temporary periodic adjustments, must be upward.

Commercial real estate, well situated in growing communities, still provides one of the strongest hedges against the spectre of future inflation.

### **Helen Slade Sanders** Scholarship Greated

A \$14,000 gift in memory of Helen Slade Sanders, a founder and Editor of "The Analysts "The Officers and Executive Journal," a financial magazine, Committee of the National Fedwill be used to create a scholareration of Financial Analysts Soship for financial writing in Cocieties, acting on behalf of the lumbia University's Graduate entire Directorate and Member-School of Journalism School of Journalism.

The gift was presented to the school by L. Hartley Smith, on behalf of the National Federation of Financial Analysts Societies, which publishes "The Analysts Journal." Mr. Smith is President of the national federation. The income is to be used annually to assist a student in the School with grounding in economics and a particular interest in financial journalism.

Mrs. Sanders, who died last July 18, attended the School of Journalism and other schools at Columbia. As a financial writer a particular interest in financial and analyst under the name of journalism." Helen Slade, she wrote widely seminars. One of the last of these was her appearance on May 28, 1958, in the School's first annual Journalism Forum.

"The Analysts Journal" in 1944, pointment of William Stuart and remained its managing editor Walker to the permanent staff at until her death. She was the wife the head office in Toronto.

of Henry S. Sanders, Vice-President of the Bankers Trust Company.

The text of the resolution by the federation in presenting the gift follows:

entire Directorate and Membership, and desiring to give tangible evidence of their love and esteem for Helen Slade Sanders, do hereby create the Helen Slade Sanders Memorial School of Journalism at Columbia University in the City of New York. The principal ism at Columbia University in the City of New York. The principal amount of this Scholarship is to be \$14,000. It is the wish of the Executive Committee that the income on this principal amount be used annually, in perpetuity, for a scholarship to assist a worthy graduate student with good grounding in accommiss and with grounding in economics and with

### **IDAC Appoints Walker** to Staff

TORONTO, Canada - The Investment Dealers' Association of Mrs. Sanders led in establishing Canada has announced the ap-



The holidays are over and, traditionally, January is the time for "beginning again" resolved to do better and work harder towards achieving our goals. Traditionally, also, it is a time for taking stock and making new plans.

As we look forward it is well to remember that in getting ahead financially there is more to be considered than earning and saving. Your savings should be invested wisely so that they, in turn, will work for you - as hard as possible. In investing small or large amounts of money the ability to recognize "good values" in securities is most important.

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### Don't Force American Labor To Start a Political Party

By GEORGE MEANY\*

President, American Federation of Labor and Congress of Industrial Organization, Washington, D. C.

An aroused Mr. Meany minces no words in outlining labor's views of certain domestic events and threatens, as did his predecessor Gompers, to form a labor political party if the trade union movement could not achieve its legislative objectives in any other way. The union leader takes exception to the charges of "Socialism"; outlines current labor goals in the new session of Congress; and advises business to follow the old method of political activity.

and a challenge to the trade union citizen. Every action that we take

natureof things in a democracy such as we have here in the United States a challenge to the nation is without question a challenge to the life of the trade union movement. because this type of movement cannot



George Meany

exist, it cannot be maintained, under any role as representative of millions other type of government than of American citizens, in meeting the type we have here in the this challenge, in making its conthe type we have here in the United States.

Everything we do, every decision we make, must be made in keeping with the tradition of the American trade union movement.

\*From a talk by Mr. Meany before the Merger Convention of the New York State AFL-CIO, New York City.

We are facing a terrific chal- And to be a good trade unionist lenge, a challenge to our country you must be first of all a good movement. Because in the very must be related to the over-all challenge which our country faces, a military challenge, a scientific, an economic challenge, a challenge that not only confronts the United States of America, but confronts the entire free world.

There is no use wasting time trying to emphasize that this challenge exists. Every intelligent man and woman knows that we are facing this threat from a dictatorial form of government, and that this threat is directed to the United States of America, as the leading nation of the free world.

Naturally the question occurs at a time like this, just what is la-bor's role? Just what is labor's tribution to meeting this chal-

The best contribution that we can make here at home to meet this challenge, to strengthen and maintain the democratic way of life, is to carry on the work of the simple, sound objectives to

dedicated for the last 75 years, to be covered under that law. for the people we represent.

#### Labor's Role in the Past

It would be idle, perhaps, to ment. -and they are—this did not come so forth. about as a gift from political leaders or as a gift from the so-called great captains of industry, who took part in developing America in the days of the so-called industrial revolution. This record of achievement, this building of a higher standard of life, is the record of the American trade union low proposes; you say, "Well, that's movement. It is in the record that socialism, that's just a step down we did not receive higher wages as a gift—the employers did not gather together in a smoke-filled it was good for America to pay higher wages. They paid higher wages because we forced them to pay higher wages and we forced them to recognize the fact of American labor.

future, as we turn our face to the morrow, and who prefer to live the trade union movement for problems that will come up to- in the past. morrow, next month and next year, keep in mind the purpose Every worker in the United States of this movement is still what it is today covered by workmen's was 75 years ago. The No. 1 ob- compensation. That was opposed jective of the trade union move- when labor fought for it way back ment is to build up the standards of life and work of those that we represent.

> We have many types of activities, we go into many fields: legislation, political, so-called social contacts, cooperation with other organizations; but every one of these activities is directed toward the simple, sound purpose of the trade union movement of improving the life and building up standards for people.

> As we face the future and we look particularly to labor's action on the domestic scene - yes, of course we have our international activities, but I am going to just direct my attention to the domestic problem; we have our interational cooperation through the ICFTU, and we are making our contribution for strengthening democracy in other lands, building up standards of people therebut what is our problem here at

#### Minimum Wages and Other **Domestic Needs**

Well, in the legislative field we have the question of minimum wages. The Minimum Wage Law went into effect just 20 years ago last week, and today we have a minimum wage of \$1. We still have millions of workers who should be covered by this law and who are not covered. This is a case where the trade union movement is fighting for the people of the country as a whole, because very, very, very few of our members have ever been affected directly by the Minimum Wage

But the indirect effect of millions of people at substandard wages is something that we know about and something which we are concerned about. Our program is to raise the minimum wage to at least a dollar and a quarter, and to bring in to coverage at least

which our movement has been 20,000,000 more people who should at the turn of the century. It was

make this a better America. And We are for better housing. We in what way can we better do that aren't satisfied that millions of job - of making this a better people have been moved out of America—than by improving the slums, because there are many standards of life of those who million more who still live in work for wages, in other words, slums. So the labor movement is dedicated to a program of better housing through cooperation with state, local and Federal govern-

talk of a record of achievement. We are for better schools, we at a time like this, but I think we are for giving the children of should look back a little, if for no America, all the children of

tribution to the democratic way the children of America, the boys of life by raising the standards of and girls of high school age, canthose who work for wages. This not make their contribution to the cannot be denied by anyone who future of this great country unless knows the history of America for their opportunities for higher eduthe last 75 years. If we have bet- cation are expanded, so that we ter standards of life, if our people can meet the challenge that pre-are better clothed and better sents itself in the scientific field, housed, if our children are better so that we can make America beteducated than are the children of ter by making these children betworkers in the rest of the world ter scientists, better engineers, and

#### Frequent Charge of Socialism

Now, all of these things which I have just mentioned are characterized by those who oppose us as socialistic. It is a very funny thing. this socialistic business. If you don't like something the other felthe road to Marxist Communism."

Well, I would like to point out that every single achievement of room and take the position that the trade union movement in the past 75 years which has made life better for people, for workers and for the community, every single one of these things was opposed as being socialistic by the NAM, and by those who refuse to learn, re-So as we turn our face to the fuse to believe that there is a to-

Take workmen's compensation.

opposed as being socialistic, something that was European in concept, something that was foreign to the so-called American idea of individual reliance and individual initiative, something that was opposed to this so-called rugged Americanism.

Yes, in New York State the State Manufacturers Association went so far as to have the law declared unconstitutional after it was passed by the Legislature and signed by the Governor. The State Federaother purpose than to gain what America, a decent place in which tion at that time spearheaded a we can from the experience of the to be educated. So we are for drive, in 1911, I believe to change past. Yes, we have made democ- Federal aid to education. the State Constitution so that the racy work. We have made a con- In this nuclear and atomic age law could be repassed. This, of course was socialism.

> Is there any employer today, in his right mind, or any public official who would want to do away with workmen's compensation, which merely states, as a principle of government, that a worker's loss of income through accident or. injury on the job is a proper charge against industry?

> The eight-hour day, when it was fought for by the ITU spearheading the drive some 50 or 60 years ago, that also was socialistic. In fact one employer, quoting from the Bible, said it was all wrong to fly in the face of the Bible, which said "Six days thou shalt labor and rest on the seventh."

> When we tried to eliminate the sweatshops, that was more socialism. When we tried to cut down on industrial homework, tried to keep children in the homes and in schools and away from the factories, that also was socialistic.

> Yes, merely to install a fan to take harmful dust out of a factory, to make that compulsory under the law, that, too, was socialistic.

> Well, we have heard enough of this socialistic charge. It gets to the point where you pay no attention to it at all any more. It is all right to use public money to fur-nish right-of-ways for the railroads to the West Coast, so that this country could expand, it was

Continued on page 109

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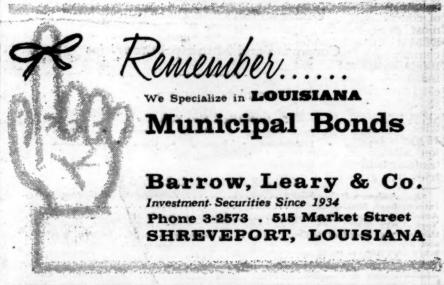
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### Our Changing Export Position And Untenable Trade Policy

By HOWARD S. PIQUET\*

Senior Specialist in International Economics Legislative Reference Service, Library of Congress, Washington, D. C.

Tariff consultant to Congress and author measures the effect of European Common Market tariff changes to commence Jan. 1 on U. S. exports; notes new import problems for U. S. caused by expanded American investments in western Europe; and reproves our foreign trade policy which, he claims, since 1934 has emphasized tariff-reduction rather than an increase in imports. Mr. Piquet ascertains that our self-contradictory policy of "avoidance of injury" has now reached an untenable point where it no longer can continue, and recommends two of three alternatives said to be open to us. Would provide "adjustment assistance" to labor and capital displaced by imports

And U. S. Exports

One of the advantages of making long-term prognostications, compared with analyzing what already has happened, is that one

does not have to do the Jub over again every few months. The observations tions that were made at the February meeting of the American Management Association are no more, and no less, valid than they were at that time.

Therefore, I shall summarize what I said then. Those who wish greater detail can refer to pages 124-159 of the American Management Association's volume "The European Common Market: New Frontier for American Business," published last July.

... wara S. Piquet

The first American economic groups to be affected by the establishment of the Common Market, of course, will be exporters. Like most preferential systems, the ECM will discriminate against our commerce. The industries most likely to be affected—the export industries-tend to be our healthiest industries and are better able to adjust to changing economic circumstances than other industries. The fact that it will be 12 to 15 years before the Common Market attains its objective of free trade among the six member countries will give our industries time

\*An address by Mr. Piquet before the International Management Seminar of the American Management Association, New York City. The opinions expressed in this address are those of the author alone and are not to be attributed to the Library of Congress or to any other organization.

The European Common Market in which to adjust to the new tariff structure.

The importance of the European Common Market is indicated by the fact that United States exports to the area in 1956 amounted to £2.8 billion and accounted for 15% of total U.S. exports. In the same year the six countries constituting the ECM had a population of 162 million and produced goods and services equaling slightly more than 30% of the gross national product of the United States. The same countries accounted for more than one-fifth of the total foreign trade of the free world.

The prosperity of a country, as Adam Smith observed 182 years ago in his classic The Wealth of Nations, depends in large part on the breadth of the market for its products. Just as the huge free trade area of the United States has facilitated the tremendous economic growth of our own country, so it is to be expected that the creation of a large free trade area in western Europe will stimulate the growth of that continent. Barring another world war, or other calamity, it is to be expected that Western Europe will attain great economic growth in the next few

Although, in the short run, the tariff discriminations that will be brought into being by the Common Market will result in the displacement of certain United States exports, these displacements will be outweighed if western Europe expands its over-all economy and offers the United States a larger total market. Since the common external tariff is to be based on the average rates of the six countries, some rates will be raised while others will be lowered. Generally speaking, the tariffs of be increased, while those of France and Italy will be decreased.

United States exports to all countries totaled \$15.4 billion in

(27%) went to Europe—\$2.1 billion to the ECM countries and \$2.0 billion to the other countries.

### Effect Upon U. S. A. Exports

About 40% of the \$2.1 billion of will be unaffected by the new tariff rates. Among such exports are coal, iron and steel scrap, copper ore and concentrates, and raw cotton. For the most part the exports in this unaffected sector consist of materials which cannot be ob- mands for electrical machinery in tained within the six member the ECM countries will be detercountries themselves and which are not competitive with European

About 27% of United States exports to the six ECM countries that might be affected by various agricultural programs. Included of electrical machinery to the ECM in this sector are grains and grain preparations, vegetable oils and fats, and oil-seeds. What the effects of the central body provided for by the ECM Treaty to regulate agricultural prices, to subsidize domestic agriculture will be on American agricultural exports is not clear. The fact is that these products are presently being ex-ported, in spite of attempts by practically all countries to protect their own domestic agriculture.

Other exports to the ECM countries-about 32% of the totalundoubtedly will be affected. These are the lines in which American industry and European industry are most directly competitive. They consist principally of manufactured goods such as industrial machinery, electrical machinery, machine tools and automobiles, and of certain kinds of chemicals.

#### The "Affected" Sector

More than half the exports of these goods go to West Germany, Belgium - Luxembourg, and the Netherlands, countries which will increase their tariffs under the ECM Treaty.

Machinery of various kinds accounts for the bulk of the exports that will be affected by the new tariffs. Total imports by the ECM countries of the four main machinery groups (industrial ma-chinery, electrical machinery, metal-working machines and machine tools, and office machines) amounted to over \$1.5 billion in 1955. Imports from the United States totaled a little over \$300 million, whereas imports from the ECM countries themselves amounted to \$765 million. Imports of machinery from all other countries, including the United Kingdom, totaled almost \$500 million.

Germany is by far the largest West Germany and Benelux will European producer and exporter of machinery, with the continental market taking over 50% of all her machinery exports. Her total net exports of industrial machinery 1955. Of this amount, \$4.1 billion to all countries, in 1955, exceeded

> In none of the six countries do imports of industrial machinery from the United States equal either imports among the ECM countries themselves or imports from all other nonmember countries. Only in West Germany, which is a net exporting country, do imports from the United States come close to equaling imports from the ECM countries.

The principal barrier to trade in some of the more specialized kinds of machinery is not so much the tariff as it is considerations of quality and market taste. Furthermore, many buyers prefer goods that are produced in their own country, even if it means paying a somewhat higher price. In some lines and in some countries quotas are still a major obstacle to imports. An illustration is the French quota on imports of piston engines and paper-box machinery.

ECM imports of electrical ma-chinery from the United States are small compared with imports among the ECM countries themselves, accounting for slightly

all other nonmember countries in 1955. Of greater importance than the tariff is the preference of engineers in consuming countries (as in the United States) for products U. S. exports to the ECM countries of their own domestic industries. with which they are familiar, as well as governmental requirements that nationalized power and transport companies use domesticallymade equipment.

The future consumption demined by the increased consumption of electricity and there is every reason to believe that it will grow steadily. It seems rather doubtful, however, whether the consist of agricultural products United States can expect a relatively large increase in its exports countries, although it is probable that, in absolute terms, its exports to the area will increase.

#### Tariffs on Autos

European tariffs on automobiles production, and otherwise protect are relatively high, even in West Germany and Benelux. The average tariff on automobiles in the six ECM countries is 28%, compared with 8½% in the United States. American exports of automobiles have been declining steadily since the 1920's, as American companies have surmounted foreign trade barriers by constructing their own factories and assembly plants abroad.

> Imports of automobiles among the ECM countries themselves are almost three times as large as imports of automobiles from the United States.

By 1970, according to a study made by the Economist Intelli-gence Unit (London), the German

more than half the imports from share of the European import market for passenger cars will have increased from 48% to 62%, that of France from 14 to 18%, and that of Italy from 10 to 11%, while the proportion supplied by the United States and Canada will have declined from 12 to 4%.

> The German chemical industry, which is characterized by largescale production, is on an export basis. As tariff abolition within the Common Market area pro-gresses German firms should find themselves in an increasingly stronger position in French, Italian, and other ECM markets. American chemical companies undoubtedly will encounter keener competition in western Europe than ever before. In the short run, the American chemical industry stands to lose from the creation of the ECM. In the longer-run, however, this may not be the case.

In any event, there will be strong incentives for American chemical and other industries to jump the tariff barriers of Europe by establishing foreign subsidiarthe automobile industry. In the technical language of economic theory there will be a tendency for international "product mobility" to be supplemented by "fac-

#### New Import Problems

It is probable that expanded American investment in western European countries will create new import problems for the United States. As more American firms establish branch plants in Europe a greater proportion of U.S. imports from the area will come

Continued on page 43

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### The New Inflation Ahead

By FRAZAR B. WILDE\*

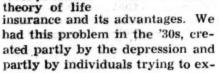
President, Life Insurance Association of America President, Connecticut General Life Insurance Company Director, Committee for Economic Development and Chairman of the National Commission on Money and Credit

Insurance industry's spokesman issues a monition about inflation obtruding from several fronts. Mr. Wilde asserts that the challenge of inflation is "not one that we can continue to talk about and not do somehting about" and, in explaining why the present superficially peaceful scene is a paradox, outlines the alarming threats and danger points confronting us. Prior to discussing dangers and problems of inflation, Mr. Wilde deals with some of the specific matters concerning the insurance industry.

confronting our nation are Rus- our policyholders for the benefit sian made or Russian influenced, in combination with responsible

our own business has cer-tain problems for which we alone are reponsible.

One that seems especially unneeded is the attack made upon the fundamental con-cept of our business; namely, the level premium



Frazar B. Wilce

\*From an address by Mr. Wilde before the Life Insurance Assn.'s 52nd annual meeting, New York City.

While some major problems ploit the cash value reserves of of the "twister." The companies, we must face up to the fact that insurance departments, came to the rescue of the policyholders and the standards of the business. In a few years the fallacy was exposed and sound selling on a constructive basis re-established.

Now, to the amazement of most of us a relatively few companies are unintentionally giving aid and comfort to the same "twisting" technique. The vehicle provided is the high - cash - value-in-earlyyears policy. The arguments of the twister are the old-discredited ones of the 1930's. Because the arguments are based on discrediting level premium insurance and are just as false as they ever were, this type of selling will not long survive. Meanwhile, many policyholders will suffer serious losses, and the business will lose stature with many people. Special are proper. Special policies which lend themselves to misrepresenta-

long run the individual company very much needed. which enjoys a short-run sales success at the expense of its future reputation.

In my opinion this type of practice, if continued, will lead to a rising tide of protests by insurance departments-or even by the to override state supervision and the answers which they are likely to furnish may not be happy ones for the business of life insurance.

#### Federal Taxation

This industry scarcely needs to be told that Federal taxation of life insurance companies under a fair, permanent formula is one of our greatest problems and needs. The fact that this has been a problem for 20 years and longer has led to the conclusion on the part of too many people that we, as a business, have been skillfully maneuvering to avoid our fair contribution to the national budget. We know that the facts are quite to the contrary. That we have not clarified the situation has created another of the prob-lems of our own making. A public the Sputnik. This fall there is the misconception that has not been new seven-year plan and the overcome is unfortunately just as Berlin situation - perhaps a new serious in its impact as though it atomic airplane. were the truth.

Two things we can do. The first is to find a program which is acceptable to the Congress and to the Treasury. This will obvipolicies to meet special situations ously do the most good in convincing the public that we are

good citizens.

In this connection let us say on our behalf that a strong, sincere effort has been made in the last six months to do just this. Several highly competent groups from our business have spent many hours in Washington and other places working with various people, including government staff men, to try to evolve a solution. We have undoubtedly contributed to a better understanding of the problems, and we are now at a point where there is some ground for belief that a solution may be found. Any formula, no matter how plausible, will require recognition of the special problems arising in our business both in respect to its long-term accounting methods and its thrift aspects.

If and when we do reach a solution, we will have a continuing second chore; that is, to do a better job of enlightening the public and their legislative representatives about this special nature of our business. Furthermore, the exceptionally high taxes imposed upon our business by state laws must always be remembered in developing understanding of the reason why Federal taxation cannot follow the typical pattern.

### **Business Political Participation**

Some companies in our business have made progress in meeting a national problem which is not unique with us; namely, the relationship between all corporations and politics in a democracy.

In recent years there has been an increasing tendency for cor-poration officials to speak out on the subject of participation in politics and the responsibility of its officers and employees as citi-

zens in a democracy. This is fortunate reversal of a policy which has prevailed for policy which has prevailed for many years in too many companies—a policy of frowning upon political activity by employees, from the president down. This policy is a denial of the major responsibility of citizenship in a democracy. The form and degree of individual participation are certainly up to the individual. The corporation's part is to be sympathetic and nonpartisan. The

tion, misunderstanding, maximum idea that executives and other these expenditures are largely avoidance, and which may be in- make some of their time and enequitable to other policyholders ergy available to be useful citizens are not calculated to further the operating with the party of their interests of the business or in the choice is practical democracy and

If corporations do not encourage political participation, and they have rarely done so in the last 20 years, the effect is to turn the responsibilities of citizenship over to groups which may not under-stand the problems of business or industry are their enemies.

I must turn now to a matter of deep concern. Inflation has been mentioned from this platform on numerous occasions. You have been exposed to it in all arenas. The question arises: Can anything more be said that is either useful or new? Perhaps not, but at least let us try.

The present situation is a paradox. Today the general price level is not rising. But when we come to look at this superficially peaceful scene it is filled with threats. Those threats arise in several spheres.

First, is the threat of Russia, which always seems to come up with something new just when we begin to hope for a period of rela-

Our reaction, and very properly, is to review our military program to determine whether it is adequate. Total defense expenditures have been increased. The present indications are that in the next fiscal year they will be further increased. The Congress, as it has in the past, may add to the Administration's military budget further items or dollar increases in present items. The military budget and the complementary budget, the foreign aid funds, have the dual impact of increasing government spending and increasing the price level. Furthermore,

borowings and unwarranted tax employees of corporations should non-economic in a direct sense. They do not produce assets which have immediate earning power. Defense spending is bound to be costly. We can and do accept this burden to the maximum extent necessary. On the other hand, there is no reason for us to panic and throw away the book of common sense and offer a blank check to the military simply because items are labeled for defense.

Another concern is relatively Federal Government, which seems which have been propagandized new; namely, today, after a state to be looking for an opportunity into the belief that business and or national election, contrary to our historical pattern when candidates often ran on economy platforms, many bills are introduced for the enlargement of public services or the addition of new ones; in other words, bills which look to government to do more things for more people, all of which must cost money. While every bill calling for increased expenditures in every state legislature and in the national Con-gress will not be passed, it is likely that enough of them will be passed to increase the total volume of public spending.

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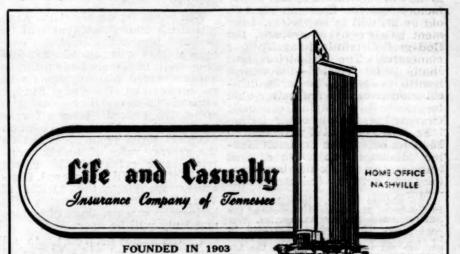
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The third concern is the strong evidence that every organized group in the country is urging its leaders to produce a wage increase. Even is those cases where contracts have been set for periods running into the future, there are many cases of reopening clauses, wage rates are being renegotiated. These wage increases are being requested in part on the basis that the increased cost of living in the country, even though it hasn't changed in recent months, has made increased pay rates necessary.

If this situation is added up even on a reasonably optimistic basis, the outlook for inflation can be quite alarming.

This challenge of inflation is not one that we can continue to talk about and not do something about. Inflation involves a radical, unfair, and dangerous redistribution of our national product. It

Continued on page 115



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### State of the Union Message

Pres. Eisenhower submits to Congress what he describes as a realistic balanced budget for a year that is expected to be the most prosperous in our history. Concerned about the cost of national defense, the President calls for balance and perspective in planning our defense. Turing to the domestic economy, he emphatically declares war on inflation and looks forward to the time when tax reform can be accomplished.

President Eisenhower's seventh annual State of the Union Message to Congress declares he in- of leadership in an era of remarktends to appoint a committee to

chart our long-term national goals extending five to ten years ahead, reminescent ex-President Hoover's Social Trends Committee of 1931. The President believes such long-term guides are necessary to



Pres. Eisenhower

spur us on to steady progress. Turning to imwage-price spiral and deficit financing, and calls for certain civil rights and labor legislation.

The message, delivered Jan. 9 at the opening Session of the 86th obligations, solemnly undertaken, Congress, follows:

gress and the executive annually specting Berlin. begin their co-operative work to build a better America.

One basic purpose unites us: To side by side with liberty and opportunity.

year of the Republic, our nation must continue to provide—as all other free governments have had to do throughout time - a satisfactory answer to a question as old as history. It is: Can government based upon liberty and the God-given rights of man, permanently endure when ceaselessly challenged by a dictatorship, hostile to our mode of life, and controlling an economic and military power of great and growing strength?

For us the answer has always the devotion, the vision, the courage and the fortitude of our

free world.

Uneasiness in the World

We have arrived at this position able productivity and growth. It is also a time when man's power of mass destruction has reached fearful proportions.

Possession of such capabilities helps create world suspicion and tension. We, on our part, know that we seek only a just peace for all, with aggressive designs against no one. Yet we realize that there is uneasiness in the world because of a belief on the part of peoples that through arrogance, miscalculation or fear of attack, catastrophic war could be launched.

Keeping the peace in today's world more than ever calls for the utmost in the nation's resolumediate domestic and foreign tion, wisdom, steadiness and un-problems, the President impor- remitting effort. We cannot build tunes against extremes in national peace through desire alone. Moredefense measures and recom-mends a "sensible posture of de-fense"; also blue-prints an end to ments, historically considered by us as sacred, are regarded in Communist doctrine and in practice to be mere scraps of paper. The most recent proof of their disdain of international is their announced intention to This is the moment when Con- abandon their responsibilities re-

no confidence in any treaty to which Communists are a party North Polar Sea. promote strength and security, except where such a treaty provides within itself for self-enforc- ter of history; as a record of our ing mechanisms. Indeed, the As we meet today, in the 170th demonstrated disregard of the Communists of their own pledges is one of the greatest obstacles to success in substituting the rule of law for rule by force.

Yet step by step we must ticular t strengthen the institutions of brilliant. peace — a peace that rests upon justice — a peace that depends upon a deep knowledge and clear understanding by all peoples of the consequences of failure in this great purpose.

To achieve this peace we seek been found, and is still found in to prevent war at any place and in any dimension. If, despite our best efforts, a local dispute should flare into armed hostilities, the Moreover, this challenge we next problem would be to keep face, not as a single powerful the conflict from spreading, and nation, but as one that has in so compromising freedom. In suprecent decades reached a position port of these objectives we mainof recognized leadership in the tain forces of great power and flexibility.

Our formidable air striking forces are a powerful deterrent to even when compared with the general war. Large and growing marvelous resiliency and capacity portions of these units can depart of our economy. from their bases in a matter of

Missile Program Accelerated

Similar forces are included in our naval fleets.

Ground and other tactical formations can move with swiftness and precision, when requested by friendly and responsible governments, to help curb threatened aggresison. The stabilizing influence of this capacity has been dramatically demonstrated more than once over the past year.

Our military and related scientific progress has been highly gratifying.

Great strides have been made in the development of ballistic extremes is inefficient, costly, and missiles. Intermediate range mis- destructive of morale. In these missiles. Intermediate range missiles are now being deployed in operational units. The Atlas intercontinental ballistic missile pro- fense expenditures systematically gram has been marked by rapid development as evidenced by that obsolescence compels the recent successful tests. Missile never-ending replacement of training units have been estab-older weapons with new ones. lished and launching sites are far along in construction.

our squadrons.

We have successfully placed ticipated in its development. five satellites in orbit, which have The aim is a sensible posture gathered information of scientific importance never before available. Our latest satellite illustrates our steady advance in rocketry and foreshadows new developments in world-wide communications.

Warning systems constantly improve.

Our atomic submarines have As a consequence, we can have shattered endurance records and made historic voyages under the

> All this is given only as a matprogress in space and ballistic missile fields in no more than four years of intensive effort. At the same time we clearly recognize that some of the recent Soviet accomplishments in this particular technology are indeed

> Under the law enacted last year the Department of Defense is being reorganized to give the Secretary of Defense full authority over the military establishment. Greater efficiency, more cohesive effort and speedier reaction to emergencies are among the many advantages we are already noting from these changes.

### Costly Armaments

These few highlights point up our steady military gains. We are rightfully gratified by the achievements they represent. New and greater developments pre-occupy the major portion of the Nation's scientists. But we must remember that these imposing armaments are purchased at great

National security programs account for nearly 60% of the entime Federal budget for this coming fiscal year.

Modern weapons are exceedingly expensive.

The over-all cost of introducing Atlas into our armed forces will average \$35,000,000 per missile on the firing line.

This year we are investing an aggregate of close to \$7,000,000,-000 in missile programs alone.

Other billions go for research, development, test and evaluation of new weapons systems.

Our latest atomic submarines will cost \$50,000,000 each, while some special types will cost three times as much.

We are now ordering fighter aircraft which are priced at 50 times as much as the fighters of World War II.

We are buying certain bombers that cost their weight in gold.

Such expenditures demand both balance and perspective in our planning for defense. At every turn, we must weigh, judge and select. Needless duplication of weapons and forces must be

#### Threat Is Continuous

We must guard against feverish building of vast armaments to meet glibly predicted moments of so-called "maximum peril." threat we face is not sporadic or dated; it is continuous. Hence we must not be swayed in our calculations either by groundless fear or by complacency. We must avoid extremes, for vacillation between days of unceasing technological advance, we must plan our deand with care, fully recognizing

The defense budget for the coming year has been planned on New aircraft that fly at twice the basis of these principles and the speed of sound are entering considerations. Over these many months I have personally par-

> The aim is a sensible posture of defense. The secondary aim is increased efficiency and avoidance of waste. Both are advanced by this budgetary plan.

> Working by these guide lines I believe with all my heart that armed forces as she is of their loyalty. I am equally sure that

These sums are tremendous, the nation will thus avoid usele expenditures which, in the name of security, might tend to undermine the economy and, therefore, the nation's safety.

Collective Security System

Our own vast strength is only a part of that required for depend-able security. Because of this we have joined with nearly 50 other nations in collective security arrangements. In these common undertakings each nation is expected to contribute what it can in sharing the heavy load. Each supplies part of a strategic de-ployment to protect the forward boundaries of freedom.

Constantly we seek new ways to make more effective our contribution to this system of collective security. Recently I have asked a committee of eminent Americans of both parties to reappraise our military assistance programs and the relative emphasis which should be placed on military and economic aid.

I am hopeful that prelimi-nary recommendations of this committee will be available in time to assist in shaping mutual security program for the coming fiscal year.

Any survey of the free world's defense structure cannot fail to impart a feeling of regret that so much of our effort and resources must be devoted to armaments. At Geneva and elsewhere we continue to seek technical and other agreements that may help to open up with some promise, the issues of international disarmament. believe with all my heart that America will never give up the America can be as sure of the hope that eventually all nations strength and efficiency of her can, with mutual confidence,

Continued on page 71

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### Business and Finance Speaks After the Turn of the Year

Continued from first page

spending beyond income is inexcusable. Such, of course, can only result in further increase of the national debt. Such increase gradually erodes away faith in our currency, which is inflationary in itself, but also since a large amount of the debt is supported by short-term bank loans, it in turn serves as a base for further expansion of credit by the banks holding the notes.

The erosion of faith in the dollar should have been dramatically brought home to those who have not been able to see it before in the announcement of the free convertibility of European currencies. The announcement of this policy by the nations involved, instead of causing a drop in their currencies in relation to the dollar, as would have been the case a few years ago, resulted rather in their remaining firm.

Furthermore, in the case of the pound, its convertibility is at a rate substantially above the low limit of the established range. The German deutschmark is one of the strongest European currencies, and that has come about in the relatively short time since World War II despite the industrial and economic devastation which Germany suffered in that war. Indeed, today Germany is largely a creditor nation for the rest of the European

economy. If any further indication is needed of decreased world faith in our economy, it can be found in the huge drain on our gold reserve which has been made by foreign nations and nationals within the past year. The situation has become sufficiently serious so that there is some alarm in regard to the volume of our currency which can be supported if the drain continues.

In stating that the chief problem of the present Session of Congress would resolve around economic matters. I am by no means unmindful of the Soviet Union's challenge to us in the space age. A year ago when Congress convened it was in the cold awakening light provided by Sputnik I. Today, it is in the re-awakening light of Lunik I, after a short nap in which we thought we had somewhat closed the gap revealed by Sputnik. After my many years as ranking minority member on the Armed Services Committee, and my year of experience on the new Congressional Space Committee, I am completely aware and alerted to the military, technical and propaganda value of the Russian achievements.

Our response to the Russian challenge, although military and scientific in nature, is inextricably a part of the economic picture. We certainly must provide the funds to meet the challenge, but in so doing the financing must be on a long-range basis which we can successfully maintain into the foreseeable future rather than in any deficit spending crash program. Any gap in our relative technical superiority to the Soviet Union must indeed be closed as soon as possible but it will have to be on a continuing basis rather than on a one-short effort, and then a let-down,

In the matter of technical superiority we must be preeminent on all fronts as well as on the front involving military superiority. Within the past year Khruschev, on behalf of the Soviet Union, has declared complete and total economic war on us in his effort to control the world. It goes without saying that ideological dependence often follows hard on the heels of economic dependence and the struggle for world domination can be as well won by the Soviet Union through the economic front as through the military. We must no longer underestimate the effect of being able to channel the productive capacity of a slave population in an attack on vulnerable economic sectors of a free world, particularly if that slave population is fed an occasional increased portion of consumer goods and is given to drink the heady wine of breathing national achievement.

There is no cause for alarm or even pessimism in the outlook. I have merely candidly stated the full gravity of the problem ahead of us and I have done so with the full confidence gained from past experience that the American people will rise to the necessary output of energy and effort when they have the benefit of the whole picture and a clear blueprint of the part they must play in it. They again will demonstrate what has always been true down through the pages of history, that free men in the defense and preservation of their freedom will always prevail over those who are slaves.

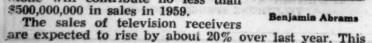
### **BENJAMIN ABRAMS**

President, Emerson Radio and Phonograph Corp.

All indications point to a material improvement in sales and profits for our industry. Signs of such improvement began to appear in the latter months of 1958 with ales and earnings materially better than for the same

period in 1957. This had the effect of reducing inventories in the hands of manufacturers, distributors and dealers and therefore, in itself, should give the industry a good start in 1959

Another factor which points to an improvement in sales for the new year is the wide interest in stereophonic instruments, which were first introuced in the latter part of 1958 and which met with almost universal acceptance. The unprecedented demand was greater than the supply and it is expected that this item alone will contribute no less than



MORE STATEMENTS IN SUBSEQUENT ISSUE

Quite a number of statements either were received too late for publication in today's issue, or for mechanical reasons, could not be accommodated herein. These will appear in the "Chronicle" of Jan. 22.-EDITOR.

is based upon the general improvement in economic conditions, as well as the interest on the part of the buying public in higher priced instruments. An increase in the sale of radios is likewise expected, particularly in those incorporating transistors.

As in 1958, military business in this industry will show a further increase in order to meet the greater demands of our Defense Department.

The improved operating results of Emerson for 1958 are expected to be bettered in 1959.

#### MALCOLM ADAM

President, The Penn Mutual Life Insurance Co.

In comparison with many other lines of endeavor, the life insurance industry had a very good year in 1958 as measured by the normal standards of new insurance written, overall earnings and dividend payments to

policyholders. Mortality rates, although somewhat affected in the early months by the Asian flu, continued at a satisfactory low level, and a healthy increase in insurance in force was achieved.

As we enter 1959, general business continues its upward swing with optimism the prevalent note in forecasts. Based on present trends, the prospects are excellent for a continued steady improvement during the months to come.

Although it is difficult to find another year in the financial history of this country in which interest rates declined so sharply and then rose so rapidly as in the past 12

months' period, it was an excellent year for the investment of life insurance company funds.

Investment earnings of the life insurance companies for 1958 will show an increase over those for the previous year, and this trend should continue in 1959, due to the higher yielding investments put on the books in 1958, the commitments carried over from 1958, and the level of interest rates which it is expected will prevail

Increased life insurance sales should follow the improvement in the economy brought about by the upswing in general business which should generate a larger volume of personal income, although there will, of course, be competition from other sources for these dollars. Mortality experience should again be favorable due to the high level of income, our ever-improving standard of living, the rapid progress in medicine resulting from stepped-up research programs and advancements in methods of treating the aged and the sick, as well as improvements in facilities used for this purpose. The year 1959 should witness accomplishments which will exceed those for 1958 and as a whole it should be a much better than average year for the life insurance industry.

### EDWIN E. ADAMS

### President, The Bank of California

The banking husiness perhaps than any other upon the general level of business activity and the monetary policies pursued by the Federal Government. It seems plain that the short-lived recession, which began in the latter part

of 1957, came to an end during 1958 and that now practically all segments of our economy are on the upgrade. This renewed growth, however, seems not to be of such volume that it should result in any substantial expansion of bank loans. I look, therefore, for the volume of loans in 1959 to be approximately the same as it was in 1958 which by all standards should be considered as having been an excellent year for banks.

It seems certain that during the coming year the government will be obliged to resort to deficit financing

in substantial amounts, the major portion of which will be carried out through the sale of government securities to banks with consequent increase in government bond portfolios and deposits. Ordinarily these developments would seem certain to result in increased revenue for banks, but the changed political complexion of the new Congress raises the possibility of a renewed easy money policy which might easily prevent the commercial banks from realizing any increased

revenue from increased volume of government secu-

In a sentence, 1959 should be another good year in the banking business, but it is impossible confidently to predict that net earnings will be appreciably above those shown for 1958.

### WILLIAM R. ADAMS

President, St. Regis Paper Company

During the first half of 1958 the paper and paperboard industry operated at only 86% of capacity, the lowest ratio in several years, but an actual output only 7% below that of the most productive six months in history,

the first half of 1956. Beginning toward the end of the second quarter and accelerating after the usual July shutdowns, activity improved throughout the balance of the year to the point where the total production for the year will probably be reported as practically identical with 1957. The November operating ratio was about 92% of capacity.

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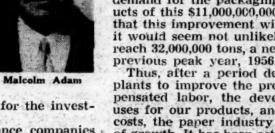
It is likely that some of the second half demand in 1958 was the result of replenishment of inventories, in the hands of converters, distributors, and consumers, which had been substantially liquidated during the previous eighteen months. At year end, however, it appears that these

inventories are near normal in relation to consumption and that 1959 production should approximate the rate of

Paper, paperboard and paper products are used so extensively in all of the manufacturing, service, trade, distribution, education, cultural, and entertainment activities of the nation that their consumption closely parallels the trends of the key economic indicators of Disposable Personal Income and Gross National Product.

The present trend of these factors and the favorable forecasts made for the general economy would, therefore, suggest a continued growth through 1959 in the demand for the packaging, graphic arts and other products of this \$11,000,000,000 industry. While it is expected that this improvement will be gradual through the year, it would seem not unlikely that the year's output would reach 32,000,000 tons, a new record, exceeding that of the previous peak year, 1956.

Thus, after a period devoted to the modernization of plants to improve the productivity of increasingly compensated labor, the development of new and broader uses for our products, and a belt tightening on indirect costs, the paper industry is beginning on its next cycle of growth. It has been estimated, both by private institutional sources and by the Department of Commerce in a 1957 report, that the nation's need for paper by 1965 will be 40% greater than the 1958 production. The industry is in splendid shape financially and with facilities and raw materials to meet this growing need as it develops over the years.



William R. Adams

STANLEY C. ALLYN

Chairman of the Board, The National Cash Register Company

The year 1959 should increase the already high demand for the products and services of the office equipment industry. Record-keeping and paperwork problems show no sign of abatement and, at the same time, busi-

nessmen are faced with rising elerical costs. Squeezed between these two forces, business is turning to mechanization of record-keeping to an ever-increasing degree.

This need for increased office automation is occurring at a time when the general economic outlook is improving. Although an explosive dustry in general can view 1959 ers' disposable income is rising, em-

"boum" level is not indicated for the year which lies ahead, I believe inwith justified confidence. Consumployment is up, governmental spending and total population are increasing, and inventories for the most part have declined from the

high levels of late 1957 and much of 1958. When the need for mechanization is measured against these favorable economic factors, there is sound reason for the office equipment industry to anticipate substantial sales increases in 1959. For the year just concluded, the industry's sales will total about \$2.5 billion. A reasonable expectation for 1959 is an increase of 10 to 15 per cent above this level for the industry as a whole.

From the standpoint of our own company, incoming orders during 1958 exceeded any previous year despite the rather checkered pattern of general business conditions. Sales of cash registers to individual merchants set a high pace throughout the year and chain and depart-ment store orders also were ahead of the year before. One reason for the continued strength of the cash register market was the introduction of new machines and features, such as automatic change dispensing. Others were the continuing trend toward suburban retailing, with resultant expansion in shopping centers, and the swing to self-service beyond the food field. Also important were the efforts by merchants to tighten control over their operations because of rising costs and slipping



Stanley C. Allyn

profit margins. All of these factors will continue to exert a positive effect on the demand for registers in

The field for accounting machines has proved even more dynamic in recent years. Despite a very substantial increase in accounting machine sales goals for 1958, NCR finished the year with more than 100 per cent of quota. A major factor in securing these results was the success of the company's electronic bank posting machine, the Post-Tronic. Since this machine is the cornerstone of the company's bank automation program and since additional units in this automation program have now been released for sale, we are anticipating further gains in the area of bank accounting. A number of other new accounting machine developments scheduled for release this year are expected to strengthen further the company's position in the accounting machine market.

It is difficult to estimate the full extent of the industry-wide stimulus which will be provided during 1959 by the advent of new products, but we do know that it will be significant. In our own company, for example, approximately 80 per cent of the products being sold today were not on the market ten years ago.

In the face of good economic conditions, a constantly growing market, and the introduction of additional new products, we cannot help but be optimistic. The year 1959 will mark the 75th anniversary of the founding of our company. We expect it to be a record-breaking year in sales.

### THOMAS T. ARDEN President, Robertshaw-Fulton Controls Co.

While automatic controls have generally anticipated the need for suitable controls in new products for industry, the home, and transportation, future years will bring innovations which will significantly increase the

controls industry's growth. In this connection, we can cite as an example the new thermostatic control for gas range top burners, developed by our firm, and called by the American Gas Association "the most outstanding recent contribution to the gas industry."

Housewives had long thought their gas ranges offered the ultimate in cooking perfection. But now, the new device makes possible the same precision cooking on the top of the range that the homemaker has come to enjoy in her oven. Today's shoppers are demanding that their ranges have the new control, identified by many as the "Burner with a Brain."

many as the "Burner with a Brain."

Heavy emphasis on research will accelerate development of totally new controls, and will speed the sophistication of present products. During 1959 we will complete a new research center at King of Prussia, in suburban Philadelphia, with greatly increased capacity to step up completion of many product development projects already under way. During 1958, Robertshaw-Fulton opened a new research center at Anaheim, Calif., where a number of projects aimed at production of new

Nineteen hundred and fifty-nine will be a good year for the controls industry, and beginning in 1960, there may be a tremendous upsurge as part of the next cyclic growth of the nation's economy, strengthened by predictable new family formations.

control devices now are nearing completion.

We are now preparing for the expected business boom in the 1960s. Recently the firm announced that it will build a huge new plant at New Stanton, Pa., to specialize in automatic gas controls, and has just announced the creation of a new division at Indiana, Pa., which will specialize in the manufacture of precision electrical controls.

We look to 1959, and the years immediately ahead, for a vigorous expansion of markets for automatic controls, and for a healthy condition of business in general.

### ALEX H. ARDREY

### President Bankers Trust Co., New York City

The prospect is for a further and substantial increase in the volume of earning assets and deposits of the commercial banks in 1959. Bank earnings should compare favorably with those of a year ago, although operating

Following the sharp liquidation of business inventories last year, business managements in 1959 are likely to be replenishing their stocks, especially since orders and sales are mounting. Capital investment programs, too, are no longer being cut back, and while considerable unused capacity reduces the chances of an immediate resumption of the business investment boom, outlays especially for cutting costs and raising efficiency will probably increase during the year. All this is likely to mean larger credit requirements by business.



Alex H. Ardrey

The consumer, having reduced his instalment debt somewhat during the recession, is now in a better mood to buy, and automobile sales in particular should be considerably improved, suggesting a renewed increase in consumer credit financing. Demands for real estate mortgage money likewise promise to remain active in the wake of the greater volume of residential building now underway, even though the present high level of housing starts may not be maintained throughout the year.

In addition to meeting larger demands for bank loans in 1959, the banks will probably be required also to add to their holdings of Government securities. Despite the improvement in business, the Federal budget will in all probability still show a substantial deficit over the next 12 menths. In addition, a huge volume of shortdated Government debt outstanding will need refinancing. The Treasury is expected to seek to place some of its securities with individuals and savings institutions, but as of today, it appears that the Treasury will have to rely upon the commercial banks to a considerable extent in 1959.

As the year moves ahead, there is the real possibility that credit requirements may be enhanced by inflationary pressures. Our resources of manpower, materials and capacity are fully adequate to support a sizable increase in demands, but the threat of inflation has nevertheless become more ominous, fed by an unbalanced budget and the prospect of another turn of the wage-cost-price spiral in 1959. As a consequence, at a time when major foreign currencies have become stronger, the international position of the dollar has weakened. The development and prosecution of an effective public policy to stop inflation is the most urgent problem confronting our economy today.

### ARTHUR K. ATKINSON President, Wabash Railroad Company

The recession in general business activity, which became apparent in the fall of 1957, had an immediate and drastic effect upon the railroad industry which continued throughout 1958. For the Class I railroads

as a whole, 1958 carloads of revenue freight will total about 15% lower than for 1957 and 20% below 1956. As a result, when the 1958 figures are tabulated, the net railway operating income of the railroad industry will be about 20% below 1957, indicating a rate of return on the investment of only 2.70% compared with 3.35% for 1957. Railroad traffic volume at the end of the year still has not recovered, although business conditions have generally improved and prospects are much brighter.

Wabash Railroad net results for 1958 will be the poorest in the history of the company since 1941. However, when finally tabulated,

they will be sufficient to cover contingent interest charges and the requirements for sinking funds, as well as the dividend on preferred stock. The drop in 1958 revenue can be largely attributed to the general cut-back in industrial production and depletion of inventories, although practically all commodity shipments were off with the exception of grain and grain products.

As the 1958 traffic volume diminished, the costs of doing business, taxes, materials and supplies, and wages continued to rise. For example, wage and payroll tax increases which went into effect in 1958 will add \$3,118,000 to the Wabash operating costs on an annual basis. In only the past five years since 1953, the portion of our revenue dollar which must be paid out for salaries, wages and payroll taxes has grown from 45 cents to 53 cents.

On the Wabash, we anticipate at least an 8% improvement in our gross revenues for 1959. All departments are being streamlined and re-arranged to improve their

effectiveness and abilities to produce the maximum amount of transportation service to supply the needs of our shippers and passengers.

During the year, some of the problems of the transportation industry were dealt with in the Federal legislation repealing the 3% excise tax on freight bills and enactment of the Transportation Act of 1958. This was accomplished through the combined efforts of many groups interested in better transportation, including strong support from the press, as well as from labor and industrial organizations. After the Senate acted on the 1958 legislation, it also recognized the need for further study and correction of faults involving the Government's regulatory policy for surface transportation, and a special subcommittee is expected to begin extensive investigations into this subject early in 1959.

As business conditions improve, the railroads will be stepping up their car repair programs and placing more orders with their shops and the car builders for new freight cars and other equipment. The long-term outlook for growth of the American economy is bright which makes it clear that transportation facilities must be enlarged and improved to serve this growth. Whether private enterprise sources will produce the huge amounts of capital funds to pay for these necessary improvements depends on the establishment of a more favorable climate in the transportation industry which will permit fair and adequate profits for all public carriers.

#### DONALD L. BARNES

#### President, American Investment Company of Illinois

We expect the consumer finance industry of which our company, American Investment Company, is a part to resume its normal growth in 1959. Last year, the consumer finance industry experienced a "wait and see at-

titude" on the part of its customers, the American consumers. As we attempt to plan for 1959, we see both weaknesses and strong points in our national economy as it is affected by the consumer and his behavior in the national market.

For our own company, American Investment Company, we expect our notes receivable (which represent loans to our customers) to increase approximately 10% to about \$250,-000,000. We also expect improvement in our net earnings over those of 1958. Additional growth of about 10% is expected in the number of branch offices which our subsidiaries operate. In the very near future, we



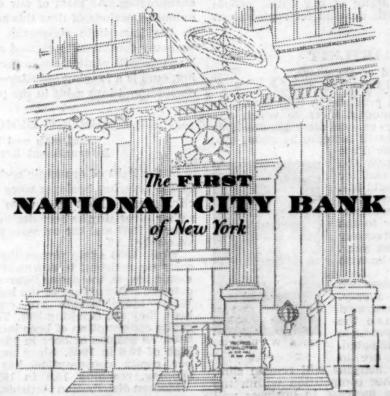
Donald L. Barnes

will be opening our 500th consumer finance office.

The strong points in the economy in 1959 as we see them are: an increase in total personal incomes, continued high demand for consumer goods and services, some increase in over-all production notably in the automotive and hard goods fields, some stimulation from the recent stabilization of the currencies of Western Europe countries, and continued high defense spending by our own government. These factors, we believe, will tend to increase the confidence of the consumer in his own future income and job security and thus increase his use of consumer credit.

Factors which may somewhat offset some of the favorable indicators are, in our opinion, such things as a continuation of higher than "normal" unemployment,

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a feeling on the part of the consumer that prices are "too high" which will require additional efforts in selling and advertising, and increases in taxes at the state and local levels.

Since much of the consumer's behavior in the market seems to be psychological in nature, his balancing of the favorable and unfavorable factors will determine the amount and direction of consumer spending in 1959. This, of course, will have a direct bearing on the amount of consumer credit which the American consumer will use to implement his buying power this year.

Our own analysis indicates that the consumer will use his credit with moderate confidence in 1959. We do not expect a boom in consumer credit similar to that experienced in 1955, but we do expect improvement over the demand for consumer credit which we saw in 1958.

Two additional factors appear to us to increase the demand for cash installment loans: first, an increase in population in the age brackets generally considered to be the heaviest users of consumer credit and second, a wider acceptance of consumer credit as a way of life. A generally favorable economic climate and a continuation of consumer confidence plus these two factors should increase the demand for the services of consumer finance companies.

There is some pressure for a return of federal controls on consumer credit as a gesture toward controlling inflation. Such controls, in our opinion, would have little or no effect on the causes of inflation. Consequently, we cannot see the justification for federal controls of consumer credit and we believe that such controls at this time, even on a standby basis, could have disastrous effects on the forward progress of our economy.

Generally speaking, we look for 1959 to be a year of prosperity for the economy as a whole and for American Investment Company. We feel, however, that 1959 must be viewed with both optimism and caution. As a company, American Investment Company expects to be geared to react quickly to any changes in the economic wind during this year. Unexpected situations, such as a prolonged strike in the steel industry, could, in our opinion, hold back if not reverse the upward trend which we expect in 1959.

#### ARMIN B. BARNEY

### President, The Colorado Springs National Bank, Colo.

We are probably not as closely conversant with conditions elsewhere as are many other contributors to your forum, but we do have great confidence in the growth of this community. The tremendous growth of the last

10 to 15 years makes comparisons for the immediate future rather difficult and it would seem nearly impossible to continue the growth of these past years.

We are pretty much of a tourist center. The opening of the U.S. Air Force Academy, just north of Colorado Springs, together with the State's Centennial, to be celebrated during the year 1959, should insure unusually heavy tourist business.

I would assume that private construction might maintain the pace of the last few years but that public and business construction might show some tapering off in the year to come. We are not in the center

of an agricultural district, but there seems to be an abundance of hay and all feed, and ranges appear to be in excellent condition. Many of our cattle people anticipate a steady price as the demand for replacement cattle is very good.

### FRED W. BARTLETT Chairman, Board of Directors, Socony Mobil Oil Company, Inc.

The demand for petroleum products in 1959 should be somewhat better than the modest increase which has occurred in 1958. Company economists estimate that demand in the United States will increase by about 4%,

and that of the rest of the Free World by about 8%. Last year the domestic increase was 2% and for the remainder of the Free World 8%.

Besides the general recession, there have been economic and politicallegislative problems peculiar to the oil industry which have adversely affected business in the past year. For the most part, they will be with us at least through 1959.

The basic economic problem we continue to live with is over-supply. This problem has been aggravated the past two years because the growth of demand for oil products did not materialize as anticipated. While supply and demand are in

better balance today, profit margins will remain slim, and you can rest assured that competition within the industry for portions of any increase in business will continue to be very spirited.

Fred W. Bartlett

Percentage depletion may well be the political-legislative issue related to oil most hotly debated during 1959. Undoubtedly the pressure in Congress will be greater than ever to cut the depletion percentage below the 271/2% rate. This rate, contained in income tax laws, justifiably recognizes that those who search for oil assume the greatest financial risks of any engaged in

the extractive industries. The percentage was determined by legislators-not oil men-in 1926 and has been systematically re-examined by them ever since to assure its continued validity.

Should this rate be reduced, I am convinced that the search for oil would be curtailed, costs within the industry would go up, and eventually, of necessity, there would be increases in the prices of oil and oil products.

#### S. CLARK BEISE

#### President, Bank of America National Trust & Savings Association, San Francisco, Calif.

If we needed any proof the American economy has strength in depth and can shake off a solid punch, we had it during 1958. Just a year ago there were more goods ready for market than people were willing or

able to buy. We knew this would hurt some people and some businesses and slow down the over-all effort.

But the nation's stamina was more than sufficient to deal with this challenge and meet it with force.

During 1958 individual optimism was not daunted; people continued to buy and build; our economy began to catch up with production and make the adjustment.

Presently we find ourselves on solid footing and moving ahead strongly. This will be most evident during the first half of the year.

We are going to build more homes S. C. Beise this year than we did in 1958 and

sell more automobiles. We believe there will be \$105 in goods and services produced throughout the country in 1959 for every \$100 turned out during 1958. Although this increase will be national in scope, gains in the 11 western states will show an even sharper rise. This is because of the con-

tinued heavy in-migration, particularly in California. Credit resources will continue to meet the needs of business and industry, finance a healthy volume of new homes, as well as provide funds for men and women purchasing automobiles or appliances.

Loan interest rates charged borrowers will remain generally at about their present levels. While there may be increases in some areas, interest rates will not be a preventive factor in seeking money for expansion or purchasing. At the same time, interest paid to savings depositors will remain at the present figure.

We approach the new year with confidence and assurance but we know there will be problems to solve and areas of production and service requiring more attention than others. This is part and parcel of prog-ress calling for alert attention and intelligent action. It does not demand alarmed action or aimless running about in circles.

The past year has shown us we have the resources and the tools of know-how and imagination to move ahead and at the same time cope constructively with negative factors,

#### D. N. BENEDICT President, Frick Company

The air conditioning and refrigerating machinery business currently is better than it was at this time last year and exhibits elements of strength which are most encouraging. As most of our contracts do not run over extended periods of time this appraisal necessarily refers to the immediate six-month future. However, if the economy continues to expand as predicted by many, our business will participate in the trend. In respect to timing, ours is a lagging industry—which always overshoots declines and lags a bit in the pick-up.

#### **BRUCE BERCKMANS** Chairman and President, International Breweries, Inc.

In the light of economic and weather conditions, sales in the brewing business were fairly stable in 1958, declining only about 2% in the first ten months. This is rather surprising as beer declined 1.4% in the prosperous year of 1957 and the increase in 1956

was only 1.3%. While 1958 again proves that beer sales are resistant to downward economic trends, the above figures indicate the static nature of the industry. While more people are enjoying beer, they are drinking less. The per capita consumption of beer increased from 7.9 gallons of beer in 1934 to a high of 18.6 in 1945. Since then, the per capita consumption has been slipping, reaching 15.3 in 1957.

Modern distribution methods, packaging and self service have all been factors in the enormous growth of the food industry. But it may well be that it is one of the principal rea-

sons for the static condition of the beer industry. Since legalization, each year has seen an increase in packaged beer and a decline in draught. In 1934 approximately only 10% of the total beer output was pack-

aged. For the first three quarters of 1958, packaged beer represented 79.8% of the total.

The take-home percentage of beer has followed the

same pattern. Today, well over half of all beer consumed is in the home. As the tendency is to drink less beer at home than when out, this undoubtedly has been a major factor in the lowered per capita consumption.

While lower individual consumption is viewed with alarm by the industry, there is an optimistic feeling about the 1960s. It is then that numerous consumers born since the depression will have reached the beer drinking age.

However, the current static condition of the industry sets the stage for 1959. Competition among breweries will be stronger than ever. It will be reflected in larger advertising and promotion budgets. Marginal producers will continue to either close their doors or merge.

The battle among the industry's giants will concentrate on the local level. The number one volume beer producer will open more markets for its popular priced brand, as well as continuing the pressure behind its premium priced beer. The large semi-national popular priced brands will continue their efforts to achieve truly national distribution. The effect of these drives is to put an increasing competitive squeeze on the regional and local brands, who in turn will have to step up their efforts to maintain their positions.

International Breweries more than held its own during 1958. Substantial progress was made in integrating the packaging, advertising and merchandising of the various beers and ales; namely Iroquois, Frankenmuth, Old Dutch and Silver Bar. This should be completed by the end of 1959. Also, it is our firm intention, in addition to further consolidation of our present markets, to continue to expand by merger or combination wherever and whenever the conditions are favorable.

### ADMIRAL JOHN J. BERGEN and

### A. M. SONNABEND

#### Chairman and President, Respectively, Hotel Corporation of America

In 1958, the advent of the jet age raised many questions for hotelmen about their future. There was much speculation on both the extent of the impact and the measures to be taken to adapt their business to the new travel era.



Jonn J. Bergen

Amidst much industry-wide uncertainty, the Hotel Corpora-tion of America spent the year implementing its philosophy that the future of the hotel business lies in modernization of existing facilities to keep pace with new developments and in expansion into the motor hotel field.



That the motor hotel field is a ripe market seems apparent. According to the best available evidence, 85.5% of all vacation travel and 71.4% of all business travel is being made by automobile. Population increases and concomitant increases in the number of automobiles on the highways will result in greater demands placed on the motor hotel industry.

Despite the Hotel Corporation of America's enthusiasm for the potentials of this market, there are danger signs which should make everyone cautious. Motels are being built at the rate of 3,000 per year. In 1951, there were 43,356 motor hotels with 823,764 units while in 1956 there were 56,248 properties with 1,124,560 units.

Will the demands of the future require this much expansion or will the motel industry find itself overexpanded and suffering from obsolescence? It is less than 20 years since the hotel industry found itself suffering from those ills borne by the boom money of the '20s.

The thought repeatedly occurs that ventures in this field must be approached with caution. Though the Hotel Corporation of America has opened six facilities in 1958 and has reached agreement to operate 11 other properties now either in planning or under construction, management has considered the nature of its operations with great care to be certain that its thinking is attuned to the requirements of the new period.

In designing the facility, hotelmen are confronted with a whole new range of problems. Check-in directly from the automobile, guest room convertibility to both living and sleeping quarters, soundproofing and deflecting automobile headlights are some of the innovations HCA and other organizations are finding increasingly important. Ideally, the property should combine the best features of the downtown city hotel and the motor hotel. This means the facility can accommodate the transient motorist and the nearby residential and business community's need for restaurants and public meeting rooms.

The motel industry represents an important new mar-ket for the hospitality industry, but the downtown city hotel will continue to be an equally important factor. Property values, guest room units, and gross volume of business still exceed the motel industry. The Hotel Corporation of America's confidence in the importance and stability of this field is expressed in their agreement to operate a 350-room hotel now under construction in New



Bruce Berckmans

Orleans and an 1100-room hotel which will be part of the Boston Prudential Center.

As an industry, hotels have spent more than \$2 billion in the postwar era modernizing their properties. There is no doubt that many hotels have been hurt by competition, wage increases and rising costs of supplies. The hotels which have most successfully weathered these problems are those who have maintained the appeal of their properties through modernization. This belief is a cornerstone of HCA operations.

The arrival of the jet age has ramifications in the hotel industry. In addition to property maintenance, hotels increasingly will find it necessary to develop techniques of selling their services to the modern traveler, such as stationing a representative at the airport much in the manner of the representative meeting the steamships. Week-end business will become a greater problem as businessmen find making the return trip home can be made with ease. However, businessmen may take more trips because of the convenience of jet transportation.

With the population increasing and more people having more time and the means to take more trips, the future of the hotel and motel business is bright. With intelligence and caution applied to their planning, hotelmen can build a sound industry designed to meet the challenge of the coming years. 1959 should prove an important year in determining the character of the industry's adjustment.

### CARL A. BIMSON

### President, Valley National Bank, Phoenix, Ariz.

We enter 1959 with the economy in a strong upsurge. This is especially evident to Western bankers with a continued heavy demand for loans by most segments of business even in the face of strengthening interest

rates. Both demand and savings deposits are rising in our section of the country and there is a general feeling of optimism on the part of both businessmen and consumers.

On the consumer front, individuals throughout the country generally have shown a conservative attitude by not over-extending themselves and we are not likely to see more than a normal debt pattern as related to disposable personal income. Auto debt has dropped over \$400 million since the middle of 1958 and the drop has only been partially offset by increases in other forms of consumer obligations leaving a net decrease in installment debt of



about \$20 million in the last six months. If there is good public acceptance of automobiles during the coming months, which now appears to be evident, we may see an increase in individual borrowings but it is anticipated that these will be well in line with repayment capabilities.

Nineteen fifty-nine should see a better balance in consumer expenditures than that of the past two or three years.

There is a strengthening in housing starts. There is every evidence of improvement in automobile sales and in the demand for furniture and hard white goods which will possibly mean a rechanneling of a larger percentage of disposable income into these areas which were among the hardest hit by the curtailment of consumer expenditures in 1957 and 1958.

Business spending for new plant and equipment and for inventory should be stronger with increased confidence in the economy and evidence of stronger consumer demand as reflected in year-end sales figures. Government spending is also expected to be sustained at the high levels of recent years, and, unless there is an unexpected improvement in the international situation, will continue with us. The greatest danger, in my opinion, is that of excessive deficit financing with its ultimate effect on the general price level. Inflation, whether creeping or not, will eventually do more harm to more people than any amount of international unrest.

The coming year will see greater expenditures by both state and local authorities for necessary capital improvements. Let us hope, however, that the Federal Government will strive for a better balance in the budget so as not to be a party to a rapid rise in prices at a time when the consumer is still quite critical of present day high cost of the items he wants to buy.

A rising price spiral could again trigger a buyers strike more detrimental than the slump of 1958.

The fact that the consumer can defer purchases of many items for extended periods of time was again brought into sharp focus in 1957 and 1958. Let's not forget this fact in our urge to force a further stimulation of our economy through needless deficit financing.

#### JOSEPH L. BLOCK

#### President, Inland Steel Company

The steel industry has excellent prospects for record or near record operations in 1959 and the year should see new high levels of production and sales for individual

companies. Included among these will be companies situated as Inland is with new steel making capacity and big additions to finishing facilities.

Steel production has improved steadily since the low point of last April. The trend should continue through the first half and very likely

throughout the year.
Rising employment and personal incomes is underpinning a growing confidence in consumers' minds which should increase their purchases of durable goods, and housing construction should continue to rise. Of greatest importance in this connection from the point of view of steel is the automobile industry

which, I believe, will show marked improvement as compared with 1958. The predictions of well informed individuals in the auto industry of a minimum of 5,500,000 cars for 1959 would represent an increase of at least 30% over 1958.

Joseph L. Block

Government spending for capital goods will also rise and, as the year progresses, the private sector of the heavy construction industry should also show some improvement. It looks now as though our railroad friends will also come into the market.

A decision by the Supreme Court late in the year clarifying the rate-making procedure of gas pipeline operators is releasing some large pipeline projects which will doubtless be followed by others and become a considerable factor in steel consumption this year.

A certain amount of buying for inventory accumulation will add to the steel demand in the first half. In part this will be to replace inventory liquidated during the past year but there undoubtedly will also be some build-up of stocks to guard against the possibility of a steel strike in July.

Based on this rather rosy outlook, I believe steel ingot production in the first half of 1959 will aggregate between 55 and 58 million tons as compared with approximately 47 million tons in the last half of 1958. Although the second half of next year might start out on a reduced basis as a result of either a strike or the previous buying in anticipation of a possible strike, I am inclined to believe that steel production in that period will be at about the same level as in the first six months.

On this basis the total ingot production for the year would be between 110 and 116 million tons. This compares with about 85 million tons this year, the 1955-1957 average of 115 million tons, and the 1955 record of 117 million tons. The average of the projected figures for both the first half and the entire year 1959 would be 77% of the new 1959 capacity of the United States Steel Industry and represent an index figure, based on the 1947-1949 average, of 135.

### ROGER M. BLOUGH

Chairman of the Board.

United States Steel Corporation

The American steel industry, rapidly recovering from

The American steel industry, rapidly recovering from the third postwar recession, has prospects of reaching an operating rate of about 80% of present capacity during the first six months of 1959—an increase of approximately 45% over sharply curtailed operations in the first half of 1958.

Despite this prospect, the 1959

U. S. economy will be confronted with the challenge of further costpush inflation, the inflationary effects of Federal deficit spending and, importantly, the ever-growing need importantly, the ever-growing nee to strengthen our industrial and scientific might to meet Soviet economic aggression.

The present three-year labor agreements terminate on June 30 and prior to that date the companies in the steel industry are faced with the task of negotiating new agreements which will not add fuel to the inflation fire. In Washington, the Con-

gress is confronted with the ponderous task of meeting a probable \$12 billion fiscal 1959 deficit, with resulting inflationary implications.

Reger M. Blough

Our need to combat inflation and maintain the country's industrial supremacy cannot be overemphasized. Russia's seven-year program ending in 1965 has a target of 100 million ingot tons of capacity. This propos growth, which would increase Russia's present capacity by two-thirds, is about twice as great percentage-wise as this country's substantial expansion in the past seven years.

Despite this Soviet expansion, there today are some groups who would tax away our corporate profits, or even bargain them away with uneconomic wage increases, at a time when our industrial resources are so vitally needed.

In continuing its modernization and expansion program in 1958, U. S. Steel spent \$341 million for additions and replacements in the first three quarters and had authorized projects to be completed requiring expenditures of \$740 million at the end of the third quarter of 1958. Since 1945 U. S. Steel expenditures to give the nation more and better steels have totaled almost \$4 billion. This has been done despite mounting costs and a tax allowable depreciation far from adequate.

Completed or in progress in 1958 for increasing the efficiency and capacity of blast furnaces was the construction of four new sintering plants in the Pittsburgh, Youngstown, Ohio, and the Chicago areas; other projects include a new pipe mill at Lorain, Ohio, which will be the most modern facility of its kind ever to be built, replacing several old mills, with an annual capacity of 237,000 tons; a new engineering building in Los Angeles; a new structural and blooming mill and a new slabbing mill in the Chicago area; new primary and billet mills and another electric furnace in the Pittsburgh area; new tin plate manufacturing facilities in California; a

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INVESTMENTS

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new coal cleaning plant in Utah, and the installation of auxiliary facilities for plates at Fairfield, Ala.

In the field of research, U. S. Steel announced in 1958

the development of the world's widest thin gauge alloy and stainless steel sheets, "sandwich" rolled for defense missiles and aircraft in a new technique developed and refined by U. S. Steel. Another is a missile steel with a tensile strength level of 280,000 pounds per square inch, or six times greater than that of ordinary sheet steel. Still others are vinyl plastic coated sheets of beauty and durability, and patterned vitrenamel sheets in many colors for a wide variety of applications.

The year 1958 was a difficult one for the steel industry, with an operating rate of only 54% of capacity during the first half, rising to an estimated 74% in the fourth quarter. Although there was substantially greater ingot capability than in earlier years, the estimated 1958 output of 85 million ingot tons reflected sharply reduced levels of operation. However, the gain in second-half output made it possible for the industry to end the year on a stronger tone enabling us to look forward to continuing improvement in 1959.

Actual use of steel in 1958 was not as depressed as the operating rates would imply. During the first three quarters of the year steel users consistently bought less steel than they were using on their production lines.

Steel shipments fell steeply as a result. By ordering less steel than they were using, thereby depleting inventories, customers were able to alleviate a financial burden when their income was falling, and, at the same time reduce inventories which had been built up in 1956 and early 1957. During the 15-month period ended last August, total customer inventories appear to have been reduced by the equivalent of 15 million ingot tons to the lowest level since 1950.

The decline in steel output last year was not just the result of inventory liquidation, however. Preliminary figures suggest that steel consumption in 1958 fell 15-20% below the record total of 1957.

Although a modest amount of inventory rebuilding was apparent during the final quarter of 1958, steel stockpiles are still believed to be inadequate to meet the steel consumption needs of an economy that has substantially recovered from a sharp though comparatively short recession.

However, the corner has been turned, and based on virtually every measure of business activity, it now seems clear that our economy reached the bottom of the recession last Spring. Since then, there have been continuous substantial gains in total industrial production, personal income, new orders, consumer spending, and in steel production.

The industry can reasonably expect improved shipments in the next six months to such major steel customers as the construction industry, farm implements, appliances, machinery, and automotive. Probably the largest gain in shipments will be made to the automotive industry which moved up sharply in November and

A major question lies in the area of business spending on plant and equipment. According to government surveys, there has already been a small gain in capital investment from the summer low, but there is no certainty that there will be a significant revival in 1959.

However, termination of this decline of spending removes the basic uncertainty and it is reasonable to suppose there will be some modest gains in this type of business investment.

The quickening pace of steel orders already has begun to have an effect on delivery schedules. As lead times lengthen, the need for customers to protect their inventory position becomes greater. Consequently, a certain amount of inventory building may be anticipated in the coming months. In total, the change from inventory liquidation in the first half of 1958 to inventory building in the corresponding months of 1959 may mean a net increase in ingot production.

### HAROLD BOESCHENSTEIN

President, Owens-Corning Fiberglas Corporation

Our company is entering 1959 with a strong upward trend in sales but with continued rising costs in doing business. Residential, commercial and public building continues at a high level, only partially offset by a lag

in industrial construction. Our broad lines of products in these fields have excellent acceptance and we benefit from this active demand. More than 625 builders, who constructed more than 40,000 homes, participated in the Fiberglas "Com-fort-Conditioned Home" program launched in 1958. This program will be expanded in the coming year.

Fiberglas reinforced plastics materials have become significant components in aircraft, missiles and rockets. It appears that they will become the most widely used material in small boat construction in 1959; and applications in many other products are expanding. Another growing use for Fiberglas is as reinforcement in papers

and polyethylene and other films. A new Polarizing lighting panel developed during 1958 is now being introduced.

The market for Fiberglas decorative fabrics has grown rapidly during the past year with the introduction of new types and designs in texturized fabrics. Now, with

new Coro-dyed yarn fabrics being introduced, we expect broader sales in this field during 1959.

Aggressive research and product and process development and improvement are basic policies in our business. By this means we increase the usefulness of Fiberglas materials, expand our markets and thus maintain a high level of operations and employment. We expect further improvement in sales and operating results in the year ahead.

#### ANDERSON BORTHWICK

President, The First National Trust and Savings Bank of San Diego, California

Executive Council, American Bankers Association

The outlook for banking in 1959 necessarily depends in large part on national and international economic and political developments. Barring the effects of international crises, I believe domestic economic trends will

be the chief determinant in the demand for credit, changes in monetary policy, and the level of money

In the year just completed, the leveling-out process and subsequent economic recovery have developed as we anticipated in these pages last year, as well as a tighter money policy, rising demands for bank credit, and higher interest rates.

In summarizing our outlook for 1959 the following outline presents our anticipated developments:

(1) Factors of strength and weakness:

(a) Consumer spending we be-lieve will continue for the next quarter at the present level;

(b) Business spending as indicated by private investment for plant and equipment, though up slightly for the first quarter, presents a cloudy picture for the rest of the year; inventory spending may increase slightly;
(c) Government spending as indicated by fiscal re-

quirements will be considerably higher.

(2) From the standpoint of demand and supply of money and credit, it looks as though

(a) Business and commercial loans will be up slightly: (b) Mortgages and real estate loans will depend upon housing starts, which evidently in the past year have been in excess of family formations and would indicate a leveling or slight reduction;

(c) Corporate bond financing—we anticipate continued fairly high level;

(d) Government borrowing (municipal, state and Federal) will be up sharply.

(3) The course and effect of monetary policy would indicate (a) An increased pressure for inflation;

(b) Bank deposits will have a tendency to increase if Federal Reserve policy remains constant.

(4) The effect of these relationships on the banking picture indicate that

(a) Bank loans will be up slightly;

(b) Bank deposits should increase to a greater or lesser extent depending upon Federal Reserve policy; (c) The return on earning assets of the bank should be better than in 1957.

### WILLIAM T. BRADY

### President, Corn Products Company

Prosperity for most every business in the year aheadand the years thereafter-will depend increasingly on unity among the many group forces which hold influence over our economy. Unity, in an economic sense, means neither abandonment of self-interest

nor abatement of competition. It does mean that business, agriculture, labor, government—all those concerned with the production and distribution of goods-will have to create a set of conditions under which risk and initiative will be properly rewarded. Greater rewards are to be earned not at the expense of the customers, but as a result of providing them with better products, better service, and better values.

The coming year should see a resurgence in economic growth of greater depth than we have ever before witnessed. But whether it is to

be fully realized will largely turn upon the all-important factor of unity. While the company will move generally with prevailing business conditions, we have great hopes that 1959 will be the best year the company has ever known. The basis for this optimism is first an improvement in the economic climate throughout the country, along with the continued abundance of those agricultural commodities—corn, vegetable oils, and peanuts-most important to the company; second, the soundness of our business, which in recent years has become increasingly diversified; third, confidence in company plans and projects now in the works; and, fourth, the vitality of the Corn Products organization which is alert to the manufacturing and marketing opportunities implicit in growing populations and growing wants here and abroad.

The upturn in the economy permits the company to increase distribution of the some 450 industrial products which it supplies to more than 60 basic industries. The company's research program for developing new indus-

trial products and uses should broaden sales to this important segment of our business

Another reason why the company will move ahead at a faster pace is the demand on the part of consumers for premium quality grocery products. The homemaker today is a highly sophisticated shopper, she insists on reputable brand names of know quality. She wants convenience and style. With more than 30 different leading grocery items, the new Corn Products Company is well prepared to cater to this sophistication.

The recent merger of Corn Products Refining Company and The Best Foods, Inc., to form Corn Products Company, was a move certain to work to the benefit of the American consumer.

By joining the facilities of the two firms, the new company is now able to offer a wider range of customer services and accelerated progress in product and basic research. The company provides technical and marketing assistance to both industrial and grocery products customers, and that progress in research is resulting from additional centers of research operations.

Advancement of customer service and research are important frontiers in our business today, as the grocery business is in the midst of a continuous and solid growth. Total grocery industry sales is now approximately \$75 billion, and it is expected that by 1965 it will reach \$100 billion. With our present reservoir of talent and experience, I believe we are in an excellent position to contribute to and share in this expanded market.

An increasing population and ever improving standards of living has made possible the dawn of the supermarket age in the world market. With more than 50 years of manufacturing and sales experience abroad, we look to the overseas markets as a major source of company growth. Important contributions are expected from the newly acquired line of Knorr soups, which are great favorites on the Continent, as well as a number of the Best Foods brands, many of which are expected to find the same wide acceptance overseas that they have had in the United States and Canada.

All in all, 1959 should be a bright year for Corn Products Company.

#### LYMAN B. BRAINERD President, The Hartford Steam Boiler Inspection And Insurance Company

In the boiler and machinery line of insurance we look forward in 1959 to continuation of the premium growth which has characterized the business for the past several years. In 1958 the totals of both written and earned

premiums for all companies engaged in this line set new records, according to a forecast based upon actual writings for the first 10 months of the year and estimates of the writings for the last two months for which final reports have not been completed at the time of this writing. However, it is noted that the rate of growth in 1958 was not as great as in the previous two years -a situation due, in part at least, to the decline in general business activity during the latter half of 1957 and the early part of 1958.

Any estimate of the prospects for this line of insurance during 1959 must take into account two more

or less unrelated factors: premium volume of renewal writings as affected by policies due to expire during the year, and the effect of the general economy on existing policies and on the volume of new business.

It is anticipated that renewal premium volume in 1959 will exceed that of 1958. The great majority of boiler and machinery policies are written for three-year terms, and therefore, the volume of renewal writings during any year will depend to a large extent on total writings of the third preceding year. In 1956 the writings in this line showed a substantial increase over the previous year and thus expectations are that renewal premiums in 1959 will prove to be greater than in 1958.

Predictions for general improvement in the economy of the country and increased expenditures for new plant and equipment are also expected to have a beneficial effect on boiler and machinery writings this year. It is true that a large portion of the business it not immediately responsive to fluctuations in general business activity since the need for property damage coverages changes appreciably only with prolonged trends in the economy. However, a growing percentage of the writings in this line represents premiums for use and occupancy or business interruption coverages which do respond more readily to general business fluctuations and to this extent the anticipated increase in manufacturing output can be expected to produce increased writings in our line of insurance.

These predictions for a general upward trend in the economy indicate additional demand for insurance and for inspections designed to safeguard increasingly expensive power equipment. Thus, continued growth of premium volume is anticipated in the boiler and machinery line of insurance during 1959.





William T. Brady

### HARLLEE BRANCH, JR.

#### President, The Southern Company

The four-state area of the Southeast served by the Southern Company system, Alabama, Georgia, North-west Florida and Southeast Mississippi, looks forward in 1959 to another year of growing industrial development,

quickening commercial activities,

and an expanding population.

The recession of 1958 had a relatively minor impact on the diversi-fied economy of the Southeast. The establishment of new industries and the expansion of existing industries proceeded at a gratifying rate. In the nine-month period, January 1-September 30, 1958, 130 new industrial plants-each involving a capital investment of \$50,000 or more and employing at least 10 workers—were located on the lines of our operating companies. These new industries represented a total capital investment of \$42,590,000 and afforded employment for 8,000 persons.



In the same period, 80 existing plants invested \$48,480,000 in expanded production facilities, creating employment opportunities for an additional 3,790 people.

The Southern Company service area, where textile manufacturing fermerly overshadowed other types of industry, is now characterized by a wide diversification of industrial activity. In the period January 1, 1953, to September 30, 1958, paper and allied products accounted for \$225,960,000 of new plant investments. This was 30.8% of the total. Chemicals and chemical products were next with \$86,205,000, or 11.8%. Transportation equipment was third with \$83,155,000, or 11.3%. Our lessening dependence upon highly cyclical textile manufacturing makes for greater stability in employment and purchasing power.

We look for a steady industrial growth in 1959. Among the industries for which the Southeast offers especial attractions are chemicals, plastics, metal-working plants, synthetic fibers, and the like.

Various economic vardsticks show that the percentage gains in the four states of Alabama, Florida, Georgia and Mississippi in the period since World War II have been greater than the gains for the nation as a whole. For example, per capita income (1947-1957) has increased 64.2% in the four-state area compared to 53.9% for the United States. Bank deposits (1948-1958) have increased 84.7% compared to 51.7%. Total cash farm income (1947-1957) has increased 26.8% compared to 1.5%. Value added by manufacture (1947-1956) has increased 111.7% compared to 87.7%. Manufacturing employment (1947-1957) has increased 22.5% compared to 9.9%. Department store sales (1947-1957) have increased 75.3% compared to 38.8%.

The Southern Company system has greatly enlarged its facilities in recent years to keep abreast of an evergrowing demand for electric power. Our generating capacity increased from 1,500,000 kilowatts at the end of 1948 to more than 3,700,000 kilowatts at the end of 1958. Electric energy supplied to our customers increased from 7.9 billion kilowatt-hours in 1948 to nearly 19 billion kilowatt-hours in 1958. The number of customers served increased from 810,000 in 1948 to approximately 1,500,000 in 1958. Our planning for 1959 and succeeding years is based on the assumption that this rate of growth will be maintained.

### CARL D. BROREIN

### President, General Telephone Company of Florida

Florida weather, the appealing factor that has made the state a haven for northern vacationers, and retirees and outdoor fun-loving people who have set up permanent housekeeping, has also been a contributing factor

to Florida's economy. Last winter, the state's coldest on record during the past 60 years, had a disturbing effect on the agricultural segment of Florida's economy. The 20-degree temperatures (extreme by Florida tandards) destroyed much citrus crop-although the dollar return was about as high as usual, almost entirely eliminated the winter vegetable crop, and greatly deceased the tourist trade.

While the effects of winter low-ered Florida's general level of economy, conditions remained at a higher level than those in many other sections of the country.

Florida's heavy reliance on the citrus industry and tourist trade is being continually diminished by the steady flow of diversified industry

into the state. Confidence in Florida's economy is reflected in the steady population rise and high level of business activity that took place during 1958, while most of the nation strongly felt the effects of the general business recession.

New families continued to move into the state last year at the rate of 1,000 per week. Reasonably full employment was maintained. Record retail sales and bank clearings were recorded. Real estate development and new construction held a high level.

Most certainly, the telephone industry, which generally moves with the tide of industrial and residential development, showed resultant gains through the year. The availability of adequate communications and transportation facilities and power, combined with the cli-

matic appeal should continue to attract new industry

The fairly new concept of merchandising complete telephone service to homes and industry—extensions, speakerphones, "The ELECTRONIC SECRETARY," diallighted phones and many other new items-is widening the horizon for internal growth within the industry.

All indications point to continued broad industrial and residential development in Florida through 1959, and the telephone industry should continue to parallel this

#### NORMAN BRASSLER

### Executive Vice-President, New Jersey Bank & Trust Co., Paterson, N. J.

It is our considered opinion that the economic outlook for the Paterson-Passaic-Clifton Area for the immediate future is for a continued rise in business activity. This rise will probably be at a much slower pace than has

been experienced in the recovery of the last half year. Part of this upward but slower trend will be due to the influence of national business developments and part will be due to strictly local developments.

Manufacturing activity is expected to increase slowly through the middle of next year. On the positive side are three main factors. First, manufacturing has borne the brunt of the recession cutback and, locany, is only in the early stages of its re-covery movement. Secondly, we have reached the low point in the inventory cycle, so that the expected increase in stockpiling should be reflected in a greater volume of man-

ufacturers' orders. Finally, the growth of certain manufacturing industries in this area has continued relatively unchecked throughout the recession, and their outlook is for further expansion. Three industries in particular share this role-food, paper, and printing. The

particular share this role—lood, paper, and printing. The three together account for about 15% of present manufacturing activity locally and have had an average growth of over 7% in the past year.

The pressures on the downward side in manufacturing largely reflect local conditions. The textile industry, which is only about half of its size of ten years ago, can be expected to face some further loss. Rubber, another nondurable goods industry, is also anticipating some further cutbacks. In durables, electrical machinery, which has had a phenomenal postwar growth, is not expecting any substantial recovery in the period ahead.

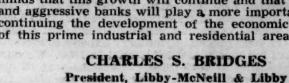
The local trends in manufacturing are in part a reflection of the overall patterns being set in the economy as a whole. Nationally there has been a long-term shift in emphasis from production of goods to services. Since our local area is more concentrated in manufacturing that the nation as a whole, it has been more seriously affected by the slow growth and accompanying cutbacks in production. On the other hand, the certain recent trends offer the local area its most encouraging prospects. First, in manufacturing itself, the growth of printing, and paper indicate increasing diversification of the area and less dependence on the limited number of manufacturing industries which formerly dominated the local scene. Secondly, the growth of nonmanufacturing

activity in the area reflects the increasing role which services play in the economy. This is reflected in the growth of the construction industry, of trade and services, and of government employment.

In nonmanufacturing, the next six months will probably show increasing activity and employment opportunities. This will apply to practically all segments of nonmanufacturing except construction. In this sphere, there has been a very sharp expansion in recent years, both in private and public construction. Private construction, however, no longer exhibits the strength of a few months ago when private housing starts provided an extra boost. With no sharp upturn in sight in plant expansion by industry, the local construction picture may therefore turn in the least impressive performance of all nonmanufacturing activity locally.

On an overall basis, retail trade outlook is also favorable, even though the downtown shopping areas continue to be adversely affected by the growth of the new shopping centers. Downtown merchants are striving to increase traffic flow by improving parking facilities and bus routing. It is uncertain how successful these efforts will be over the nearer term but may prove productive over the years, depending upon the amount of cooperative effort put forth.

Since banking relies essentially upon the economic conditions of the territory it serves, it is obvious from the foregoing that the outlook for expansion of deposits and loans is good. There is no question in our minds that this growth will continue and that the strong and aggressive banks will play a more important role in continuing the development of the economic resources continuing the development of the economic resources of this prime industrial and residential area.



As the canned and frozen foods industries roll up their sleeves in preparation for 1959, they face some pressing problems: how to overcome the corroding effects of the cost-price squeeze; how to avoid the oversupplies that

have had such an adverse effect on profits in recent years; how to allocate expenditures to achieve a good balance between short-term outlays for replacements and long-term investments for growth; how to increase an already great public acceptance for its products-in short, how to tack and trim in a year that appears to offer more favorable opportunities for profit but at the same time carries over some of the uncertainties of previous years.

One thing seems to be clear: it will not be an all-out boom year; nor will it be a year for maintaining the same rigid restraints and safeguards

which were brought into play as a matter of necessity during the uncertainties of 1957 and 1958. Having stopped to mark time and take stock of itself, the industry is again ready to move forward decisively. Its spirit is one of restrained optimism.

In recent months prices have strengthened. There are soft spots in some lines, but these are the exception

Continued on page 36



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### Continued from page 35

rather than the rule. Profit margins are still too low, however, to allow a fair return on investment. A good defense against narrow margins is a vigorous offensive to increase sales. Hence, 1959 will see the same spirited competition throughout the industry as has been the case in preceding years-but probably without the somewhat feverish and ill-conceived promotional schemes that were all too conspicuously present in periods of oversupply. There is another defense against the cost-price squeeze which processors will no doubt include in their plans—a vigorous program to increase efficiency in both production and sales.

The oversupplies that have characterized the past two years are leveling off. This is perhaps the most sig-nificant dyelopment of all, since it puts the industry in a position to liquidate inventories in a more orderly and profitable manner. No one can predict what the situation will be when the new packs come in, but there appears to be a pronounced disposition to pack more conservatively, which has not always been the case in the past.

Neither oversupplies nor abnormally low packs are healthy. Oversupplies usually generate a cycle of pricecutting which makes heavy inroads into profit margins, while a poor crop year means loss in volume and consumer resistance to the resulting higher prices. The ideal is a middle course between the two.

Capital expenditures have been confined largely to projects promising an immediate return and to keeping plants and equipment in good order. In contrast to fore-casts of a decline of capital expenditures in all manufacturing, the food processing industry expects to increase expenditures for plants and equipment in 1959. We ourselves are turning to long-term projects as part of our program of planned growth. Among them are plans for a new canned meat plant which should enable us to improve our business in this line. There are, in most lines, adequate facilities for production—the big problem is to increase sales in order to make the most of the industry's production capacity.

The industry's resourcefulness in creating new tastes is a familiar story. Every year sees a wide array of new products to capture consumer interest. In this day and age, processed foods compete with everything else in the vast catalog of consumer products. How much of the consumer's disposable income will be spent for food depends to a great extent on the industry's ingenuity in increasing popular demand. Fortunately, there is still no tax on ingenuity.

#### H. PRENTICE BROWNING

#### President, American Fletcher National Bank & Trust Company, Indianapolis, Ind.

At year-end 1958 many economic indicators point to nearly total recovery from the sharp industrial and commercial recession of the past eighteen months.

Because of its position in the economy, banking experiences delayed effects of the reces-



H. Prentice Browning

sionary and recovery forces. Thus, during the first half of 1958, some of the worst months, statistically, of the recession, banks felt a carry-over buoyancy in loan volume and loan interest rates. But by year-end bank income from this prime source was running substantially below levels of a year ago, and the reduc-tion was only partially offset by improved yields on investment portfolios. This affords the background for

business prospects in banking in 1959. Gradual recovery in loan volume should result in gross revenues from that source about equal to 1958.

We can anticipate more active demand from processors, particularly of metals, from finance companies, and from instalment buyers of consumer durables. Moderate growth in inventories at all levels will be financed in part by more bank loans. Mortgage lending will not will continue to press banks time deposits. Loans for heavy construction purposes will remain below their 1957 level.

Investment income should equal or exceed last year's. We assume that the freedom of the money market will not be compromised by politically inspired measures, that yields will reflect the demand for funds, and that sincere efforts will be made to market new federal debt instruments to non-bank investors.

In light of the foregoing general predictions individual banks may give continued close attention to the means of increasing revenues collected directly in exchange for services. Too many such charges do not yet recover even all direct costs.

In 1958 banks, as well as industry generally, have succeeded, in the main, in checking the rate of increase in expenses. They have learned methods and effects of cost controls. Further refinements here may well be the most fruitful source of net income gain in 1959.

It may be difficult for banks generally to earn as favorable a return on their capital funds in 1959 as in either of the prior two years. But the trend for banks should be one of steady improvement as the year progresses and beyond 1959. Banks must help themselves by adequate charges, cost controls, and operating efficiencies.

#### HERBERT P. BUETOW

#### President, Minnesota Mining & Manufacturing Co.

The forecast is for the economy to reach new high ground in 1959. Encouragingly, this also looks like firm



Herbert P. Buetow

Neither inflation nor a boom in any particular segment of the economy is expected to figure importantly in the rise. Instead, it is expected that generally good conditions in all phases of business and industry will contribute to higher productivity, higher levels of employment and individual income, and continuing high levels of expenditures for goods and services by both consumers and industry. Wholesale prices of industrial commodities are expected to advance only moderately, at least through the first half of the year. Competition may pre-vent even these modest increases from being completely noticeable on the final sales tag. Some credit for today's favorable

outlook must be given the recession of last year. Many business and industrial firms are better managed because of it. Greater efficiency and better planning to anticipate rises and dips in the business cycle are noticeable effects which add firmness to the business structure.

The recession and the subsequent recovery, all in the space of a few months, served to make it more apparent than ever that the American economy truly has a broad base. Recession thinking was accelerated in early '58 when the steel and automobile industries made poor starts. In retrospect we see that 1958 was a good business year and that the slump in these two key industries was more than offset by general strength and by important gains in such other basic industries as construction and agriculture.

With the rest of the country, 3M will probably enjoy another good year. We expect established items in the 3M product line to reflect the generally higher levels of business and industrial activity. Again, we are optimistic about the prospects of a number of our newer products. As a consequence, we are planning our operations for 1959 on the basis of about a 10% increase over

#### HARRY A. BULLIS

#### Former Chairman of the Board, General Mills, Inc. Chairman, International Development Advisory Board

The economic trend has been upward since the first quarter of 1958. Industrial production hit its low point in April and every subsequent month has shown improvement. The pace was a bit slower in September and

October largely because of change-over to new models and labor difficulties in the automobile industry.

The outlook is for continued improvement in economic activity in 1959. It seems reasonable to believe that total gross national production of goods and services next year will be in the neighborhood of \$465 to \$470 billion—up \$30 billion from 1958.

The largest factor in the increase will be consumer spending for goods and services. As the result of increased employment and higher wages, total personal income can be expected to rise as much as \$18 to \$20 billion. Making allowance for

Harry A. Bullio taxes that means added consumer spending power of \$14 to \$15 billion—and will require that much additional production.

Inventory liquidation subtracted about \$5 billion from production during 1958. To make up that deficit and add slightly to inventories which have been depleted too far will call for \$6 to \$7 billion in output.

Government spending will increase at all levels. Only a portion of the increased expenditures approved by the last Congress were actually expended in 1958. It seems reasonable to believe that Federal expenditures next year will increase at least \$3.5 billion and that state and local governments will add another \$3.5 billion

The decline in business expenditures for new plant and equipment seems to have come to a halt, and a small increase is estimated for the fourth quarter. Business is moving cautiously in expanding productive capacity, but there is need for continued improvement in productivity. I look for a small increase in capital investment, perhaps \$1 million.

Residential construction showed a strong upward trend during the last half of 1958. I believe housing starts will continue at a high rate in 1959 and that the value of such construction will be somewhat higher than in 1958.

While there are a number of uncertainties, such as the maintenance of farm income, the foreign situation and the prospective Federal deficit, the positive forces for economic growth are very powerful, and I look for good business in 1959.

### Food Industry Outlook

The Food Industry will share liberally in the economic upturn which is underway. For many years about one-quarter of family expenditures have gone for food. I believe that proportion will continue in the future. As increasing industrial activity brings higher incomes to more people, more money will be spent for food.

At the present rate of growth our population will reach 193,000,000 by 1965 and 228,000,000 by 1975, according to Census Bureau estimates.

The Food Industry must grow in order to serve the ever increasing number of people. It must grow still more to keep pace with the desire of the American peo-ple to upgrade their living standards, including their diets. That provides opportunities for new and improved products with greater nutritive values, more "built-in" convenience and taste appeal and better protective pack-

With such opportunities ahead, the Food Industry continues to invest millions of dollars annually in research and in new plants and equipment. The Food Industry showed great stability during the recent economic de-cline and the outlook for 1959 and the years ahead is exceedingly optimistic.

### GEORGE M. BUNKER

#### Chairman of the Board and President, The Martin Co.

It is expected that the nation's defense expenditures will continue at about the same level as in 1958 with aircraft spending dropping off as missile spending increases. Of these funds, a substantially greater portion will be

channeled into research and development contracts compared to production contracts than was the case in 1958. Research and development expenditures already have increased from 1.6 billion dollars in 1956 to an estimated 3 billion dollars for fiscal

This increasing emphasis on research and development will require highly trained technical staffs as well as a broader spectrum of integration of diversified skills. Companies se equipped will be in the best competitive position.

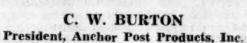
Our industry must have the cour-

age and foresight to invest a large percentage of its earnings in facil-

ities and research and development programs, especially in view of the fact that this stepped up pace toward toward research and development contracts will seriously affect the industry's rate of earnings since research and development contracts are traditionally less profitable than production contracts.

The scientific and technical advances in recent years have been so rapid and have made possible such extraordinary improvements in weapons that we cannot afford to supply the defense establishment with the traditional old weapons and the revolutionary new ones too. This fact is basically responsible for the government's effort to exert control on the rate of defense expenditures. This will lead to increasing efforts on the part of the Department of Defense to put the industry on a still more competitive basis on cost.

The trend in defense needs are changing. The emphasis is slowly but surely shifting from conventional aircraft to guided missiles, so that more and more old style facilities for the production of air defense weapons will become surplus. The era of conventional structures is over in our industry; the requirement now is far more complex; it calls for a corporate set-up embracing electro and electro-mechanical capability in missiles plus solid experience in prime contract weapon systems management. This need, if not already obvious, will become crystal clear in 1959.



The outlook for our business for 1959 is very bright. New orders received in the latter part of 1958 were considerably in excess of orders received in similar prior periods, so that the backlog of unshipped orders on

hand at the end of 1958 was approximately 33% greater than the backlog of orders on hand at the beginning of 1958. Most of these orders are for work to be completed in 1959, so that we are assured that the work we will complete in the first half of 1959 will represent an amount in excess of the orders billed in the mirst half of 1958.

Much of our business is sold direct to the homeowner and although we find more credit restrictions in connection with financing such sales, it is also a fact that many of the homeowners have more money saved than at any prior period. We find that this business is growing and we

are increasing our number of salesmen and branch offices in order to give proper service to our prospective customers.

All reports indicate the State and Federal Government will continue spending for improvements necessary to keep abreast of the expanding population. These improvements, particularly the highway work, will mean continued expansion of our business. We now sell road guard, sign posts and other highway products, as well as fencing, to help regulate traffic and make our high-

We have anticipated the continued population growth of our country and in addition to opening new branch offices and increasing our sales force, we have increased our manufacturing facilities by adding additional machinery in order to step up production. We have also invested in machinery and equipment to do more manufacturing than at any previous time. For example, we now buy rods and draw our own wire which is fed to our chain link weaving machines to manufacture fabric for fence. Previous to the latter part of 1958, we had always purchased the wire direct from the steel milis.



George M. Bunker

We have also purchased equipment to manufacture hard-

ware fittings previously purchased from others.

Our Engineering Department has developed a new line of aluminum die castings and we have purchased the equipment to manufacture them. We expect that these improvements in manufacture and design will further improve our competitive position and will result in increasing our wholesale business.

In order to further develop our business, we have in-creased the advertising appropriation. On the whole, we are starting the new year 1959, and looking into the future, with a very optimistic attitude. Our budgets forecast an increase in our Company's earnings in 1959.

#### WILLIAM H. BURGESS

Chairman of the Board and President, Electronic Specialty Co.

Further accelerated growth is projected for the Avionics Industry in 1959, based on Federal budget commitments which have already been made for an expanded missile program, and the increasing percentage of the purchasing dollar allocated to

electronic and avionic equipment. As we move into the space age, Federal Budget commitments are being made for military weapons systems to maintain technical military superiority as well as to win the present stalemate of the cold war by keeping Russian military expenditures at a high level. These expenditures will eventually be channeled into funds for space exploration to avoid a future decrease in government military spending that could have an extremely adverse effect on the support given the economy in general by this program.



William H. Burgess

Taxation based on the anticipated increase in the national gross product should continue to adequately support such a program if deficit spending is avoided. Therefore, the Avionics Industry will continue to grow at an accelerated rate.

#### HON. HARRY F. BYRD U. S. Senator (D.) from Virginia

These are times when prudent men should analyze the changes which are occurring against the indisputable fact that free enterprise democracy is the source of this country's greatness. There is no doubt that de-

velopments such as those in atomic energy, rocketry, etc., have placed us upon the threshold of a new era. In addition, this country is experiencing great increase in population.

While we may have unduly exploited our resources, they are still tremendous.

Our productive know-how and capacity are yet unsurpassed.

These are elements on which free enterprise democracy should thrive, and proceed soundly and constructively for the good of all mankind.

Our free enterprise democracy is the greatest system the world has ever evolved. But there is one

controlling requirement, and it must never be overlooked. The system is based on solvent government and sound money.

Harry F. Byrd

It is in this requirement that we have allowed ourselves to become weak. This basic requirement of our system is equally vital to all of us as individuals, and to every segment of our people - labor, management,

agriculture, finance, professions, government, etc.
With fiscal soundness I would have no fear for the future—economically or militarily; I would anticipate the period ahead with enthusiasm for my children and with pride in the contribution of my own generation.

Without solvency and sound money there will be neither solid economic progress nor national security with military preparedness.

Assurance of fiscal soundness in the future does not now exist. This is my concern.

We can not perpetuate national solvency and integrity of the dollar through continuous deficit spending, unchecked national debt, and spiraling inflation. situation jeopardizes our system of government and our

With only two bona fide exceptions, we have been on a deficit financing basis for 29 years. The fiscal situation deteriorated faster this year than in any comparable peacetime period to my knowledge.

Between January and June, we moved from estimates of virtually balanced budgets in the past and current years to combined deficits totaling \$15 billion.

At the present rate, Federal agencies would spend more than \$400 billion in five years. This would mean a Federal debt of more than \$300 billion is in immediate prospect. This would be the highest national debt in the history of the world.

During the last session of Congress we were forced to raise the statutory limit on the national debt twice within seven months. This was unprecedented. But we are forewarned. Some people are now contending the recent election was a mandate for even more dangerous Federal spending activity.

If more programs for nonessential spending should be

adopted by the new Congress convened recently, our fiscal situation will deteriorate faster next year.

From experience it is to be expected that, if such new programs are enacted they will be long-term in nature with huge multi-year commitments for the future. It is programs of this kind that make the Federal budget so difficult to reduce when the necessity is

Contrary to general understanding, recent great in-creases in Federal spending have not been for defense and foreign aid. They have been for domestic-civilian programs.

Since 1954 expenditures outside of defense, atomic energy and foreign aid categories have increased from \$19.1 billion a year to \$33.4 billion. This is an increase of \$14.3 billion, or 75%.

It is in this category where we find so many Federal programs which may be popular, or even desirable, but nonessential,

Much of the domestic-civilian spending is for subsidies. And many of these subsidy programs are bottomless pits for Federal spending and contribute to sky-high inflation. Most of the proposals following the recent election were of this nature.

The Federal Government of the United States can not now pay its bills except by increasing debt and inflation.

Revenue from present tax rates does not meet our

Interest on the Federal debt is now taking more than 11 cents out of every tax dollar, and chronic inflation has reduced the purchasing power of our money 52%. The American dollar is now worth less than 48 cents

Inflation destroys fixed incomes, provident investment, prudent business, sound financing, national security, and democratic government.

More than 20 years of destructive inflation in this country to date have led to continual demands for increased subsidization.

The Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States, localities, individuals, etc.

By the process of cheapening our money and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted.

Social democracy is a subterfuge for sound government and constructive enterprise. Its evils are historically documented wherever nations have stooped to it.

Herein lies my concern, as I indicated before. Our free enterprise democracy is being undermined. In our present position there is no assurance of fiscal soundness for the future. In these circumstances, how can we hope fully to develop the great potentialities which lie ahead?

I think the situation is urgent. We must start Federal fiscal recovery immediately. Such recovery must start with balancing the budget, reducing the debt, and stopping inflation.

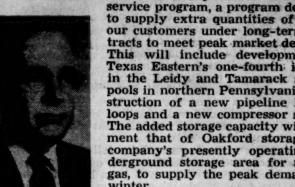
I hope the President's State of the Union Message of January 9 will inspire the people of this Nation to a grass roots crusade for reduction in nonessential expenditures.

I believe such action is urgently needed to preserve our form of government, the value of our money, and our free enterprise system.

#### ORVILLE S. CARPENTER

President, Texas Eastern Transmission Corporation

We anticipate that 1959 will be another year of significance for Texas Eastern Transmission Corporation. The company's Gas Division will be concentrating on the development of facilities to expand our new winter



Orville S. Carpenter

to supply extra quantities of gas to our customers under long-term contracts to meet peak market deman This will include development of Texas Eastern's one-fourth interest in the Leidy and Tamarack storage pools in northern Pennsylvania, construction of a new pipeline lateral, loops and a new compressor station. The added storage capacity will augment that of Oakford storage, the company's presently operating un-derground storage area for natural gas, to supply the peak demands of winter. Our Little Big Inch Division will

be concentrating on building up barrelage through its common carrier petroleum products pipeline system during the year. Of special importance will be completion and beginning of operations at the company's first underground storage facility for LPGAS at Todhunter Terminal, about 30 miles north of Cincinnati, Ohio. Three underground storage caverns will be placed in service along with a fractionating and dehydrating plant, and truck and rail loading facilities. The company will also be concerned with developing additional LPGAS underground storage capacity especially in the Houston-Beaumont area, the origin part of the line, as well as further enlargement of underground storage at the eastern end of the system.

Our attention during 1958 was centered primarily on clean-up operations from one of the largest construction and expansion programs in company history, and placing newly constructed equipment in service. Efforts were concentrated on making greater supplies of gas available to our customers on an even more dependable basis and on enlarging and improving our petroleum products transportation service.

Continued on page 38

# WM V. FRANKEL & CO.

INCORPORATED

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**TELETYPE NUMBERS:** 

NY 1-4040-41 N Y 1-2684

#### R. CARRION, JR. President, Banco Popular De Puerto Rico, San Juan, Puerto Rico

The index for banking in Puerto Rico in 1959 is distinctly favorable reflecting the continued growth of Puerto Rico's economy which is conservatively expected to expand at least 7% over 1958.

Capital investment has risen from below \$100 million to \$250 million with an investment per worker rising from \$4,600 to \$8,300. Labor income has also risen and is now \$670

Agriculture, once the mainstay of the economy, is going forward with modern mechanization and diversification with new distribution outlets created by thriving Supermarkets for vegetables, fruits, poultry and dairy products. Tourism and manufacturing has advanced at a greater rate than agricultural production. Three new attractive resort hotels have been opened and a number are expected to break ground soon further

serving as an attraction for the invisible supply of tourism dollars.

Rafael Carrion, Jr.

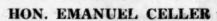
The recovery of business activity following the rolling adjustment on the mainland is still on the ascendency it is to be hoped that this will be a balanced one and not take the form of abortive excesses and speculative overexpansion.

An indication of the expansion is evident by the increase of telephones standing at over 63,382 versus 52,012 in 1957 and 46,688 in 1956. Also, in the consumption of kilowatt-hours of electrical energy of 117,386,000 versus 102,366,000 in 1957 and 82,338,000 in 1956.

Income tax collections are at the annual rate of \$50,-700,000 versus \$46,800,000 for fiscal 1957.

Puerto Rico has been allotted \$6,297,000 in Federal funds for highway improvement for the fiscal year starting July 1, 1959.

Bank operations have grown at a faster rate than the general economy-loans expanding 180% and private deposits 130% compared with the estimated 70% increase of the gross product and were equal to 74% of deposits. Puerto Rico's inclusion in the 2nd Federal Reserve District as a par collection point also has expanded the mobility of funds between the mainland and the Commonwealth. The banking system is comprised of 13 banks with a branch network of over 90 offices with new branch offices contemplated.

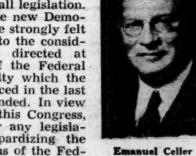


#### U. S. Congressman (D.) from New York

The first and most apparent change over the last Congress is the addition of a substantial number of new Democratic members in the House and Senate. While I deplore ideological labels, nontheless, for purposes of

convenience, most of these new members can be deemed "liberals." They will play an important role in the 86th Congress and give a liberal twist to the consideration of all legislation.

The presence of these new Democratic legislators will be strongly felt when Congress comes to the consideration of legislation directed at curbing the powers of the Federal judiciary. The difficulty which the Court curbers experienced in the last session will be compounded. In view of the complexion of this Congress, it is doubtful whether any legisla-tion substantially jeopardizing the independence and status of the Federal courts will be passed.



As a result of the leadership vacuum left by a caretaker Administration, this Congress will be vitally involved in a legislative program directed at restoring America's positition in the world. While I do not believe that Congress can provide a perfect substitute for effective executive leadership, nevertheless, something has to be done and this Congress will, I think, rise to the occasion. I am hoping for substantial and realistic foreign aid appropriations, that is, a proper, effective balance between mili-

tary and economic aid.

Certainly, our military position relative to the Soviet Union will be carefully studied. We must have a position of strength from which to negotiate with the Russians. If this involves the expenditure of more money than the Administration proposes, then we cannot afford the luxury of a false military economy. I am convinced that Congress will have to appropriate more than we have spent for the current year for defense.

In spite of the recent glow of optimism in certain financial quarters, the country still faces serious domestic problems. These are not only economic problems, but they are the normal growing pains of an expanding so-ciety. The plain fact is that we have more people than ever before and they are demanding more services. They have definitely registered a protest against the standpat conservatism of the Administration. The people need more schools with enhanced aducational facilities and better paid teachers. Recent Russian technological successes, as exemplified by the Russian Lunik, have made us acutely aware of the American educational lag. If the Administration is not, voters are aware that educational status quo is national suicide. The nation also wants and the new Congress will give them more public housing,

urban development and more and better roads.

The lengthening of the life-span of our citizens has presented us with a new problem in providing for our aged. It also provides us with the opportunity to develop these citizens as a new, productive force in our society. Congress will concern itself with legislation to accomplish this goal.

Engraved on the rim of the Liberty Bell in Philadelphia are the words of Leviticus—"Proclaim liberty throughout the land to all the inhabitants thereof." To make good that proclamation, we need a Civil Rights Bill stronger than the Celler Civil Rights Act of 1957. That Act implements the 14th Amendment, but limits enforcement to judicial decree. Civil Rights legislation must be expanded so that violations of a statute guaranteeing equal educational rights shall incur sanctions and punishments. Only then will we be harkening to the voice of Leviticus by giving liberty to all the inhabitants.

#### GEORGE S. CASE, JR.

President, The Lamson & Sessions Co.

As the extent of the 1958 slump was greater than ex-pected, so the expected upturn in 1959 could be more than mild. We are confident of a reasonably good year for the bolt and nut industry, and its might be one of our best.

Lamson & Sessions' modernization programs are showing results in reducing expenses, improving quality, and bettering service. Unfortunately, cost reductions do not keep pace with higher costs, but, without the expenditures that have been made for modernization, our profit picture would be much smaller or perhaps non-existent.

As yet, we are not getting the full benefits from our recent building program, but most of these benefits should come in during 1959. Our expenditures in the future will not be as large as they have been in the past, but they still will be sig-

nificant as we are not curtailing our new programs. There are danger signals flying for all of us in metal fabricating industries. As our customers make more of their products abroad because of tariffs or lower labor rates, we lose a substantial part of our market. Meanwhile, we find ourselves priced out of foreign markets, even those without high tariff walls around them. Our response to this problem is to make, on our machinery, items that heretofore have been made by other processes. It will be successful, but the overall problem of few import restrictions on products coming to the S. A., and many import restrictions in foreign countries, needs more governmental attention.

High individual and corporate income tax rates, plus restrictive depreciation allowances prevent the accumulation of resources for greater productivity on present jobs and the formation of new jobs. These problems must be solved before the dreamed-of higher standards of living for the decade ahead can come true.

In spite of these problems, 1959 would appear to be one of good business activity, and the long-range future appears to be bright.

#### CLOWES M. CHRISTIE

#### President, The Dayton Rubber Company

Our company expects record sales for 1958 and an even brighter outlook for the coming year. Preliminary figures indicate the firm has topped the 1957 record sales of \$83,613,850. And it certainly won't stop with 1959. We're going to continue to grow substantially every year.

We're over the hump and we are going to keep climbing. During 1958, the so-called recession year, our sales reached the highest point in our history. If we can do that well in '58, think what we can do when the nation's economy starts going in high gear again!

In the Spring of 1958 when many cutting back produ or even closing down some plants, Dayton Rubber announced it would build a new multi-million dollar plant in Springfield, Missouri. When completed early in 1959, it will be the most modern V-Belt plant in the

The company's 62-acre Springfield site leaves plenty of room for future expansion, a move that has been repeated many times in the far flung network of plants.

As the Springfield operations grow, there will be a gradual transition to virtually 100% tire production at the Dayton plant.

The successful establishment of company operated branches in a number of major market areas has resulted in increased tire sales this year. Industry fore-easts expect higher sales in 1959. With a continuation of our technical progress and efficient marketing techniques, Dayton Rubber is going to get an increasing share of the tire market.

Earlier last year we dedicated a million dollar re-search center in Hawthorne, Calif., home of American Latex Products Corporation, a wholly owned subsidiary of Dayton Rubber. The center was named in honor of A. L. Freedlander, Chairman of the Board, one of the pioneer researchers in natural and synthetic rubber developments. It will be devoted to basic research in urethanes, by far the brightest star to appear on Dayton Rubber's horizon since the company built the world's

first synthetic auto tire in 1934, seven years before Pearl Harbor gave it dramatic significance to the man on the

The rising tide of urethanes virtually engulfed the company's sales department. The growing number of potential applications for urethanes outstripped the mushrooming demands. With the formation of a Plastics Division, the coordination of the company's Marietta, Ohio, and Hawthorne, California, production facilities have resulted in the most complete line of urethane foams in the industry.

From missile nose cones to the Navy's Nautilus, urethane foam has gone aloft and below as a potting agent for delicate electronic equipment and wherever lightweight structural support is needed. The division has stepped up sales of liquid chemicals to manufacturers for an infinite variety of foamed in place applieations.

Recognizing the sales potential for highly engineered molded rubber products, we established a new sales division with a fabricating plant in Three Rivers, Mich.

The division markets natural and synthetic rubber industrial machine parts ranging from tiny bushings to giant steel mill rollers. Future plans call for development of special elastomers for precision parts and continued research in the field of vibration control.

Another bold move in a year of business cutbacks was Dayton Rubber's establishment of foam fabricating plants and sales offices throughout the Southeastern furniture market. The result has been vastly improved service and a substantial increase in sales in the key furniture market areas.

We got through a recession year with record sales, and we're gathering our momentum. Operating economies and increased production facilities should combine to make '59 one of the best years in Dayton Rubber



#### President, Beneficial Finance Co.

The year, 1958, opened with considerable apprehension on how deep and how long the business recession, under way, would run. The run-off, indeed, was sharper than the previous two post World War II adjustments, but there was more pessimism than the

In our forecast for 1958 we said: "In our economy it takes time for forces once in motion to work themselves out and for new ones to exert their full impact. The adjustments now in motion should carry economic indicators mildly down for some months in 1958. By mid-year the forces of recovery should begin to emerge and gather strength."

Recovery can definitely be marked as starting last April. Considerable of the recession loss has already recovered with a speed that confounds

the pessimists.

But recovery has been uneven and many of the indicators are still below the last peaks. And the pace of continued recovery bids fair to be slower in the months ahead than it has been since last April. Until the production index and the employment index reach and surpass former levels we cannot say that we are fully recovered.

By all indications the production index will recover completely sooner than the employment index. Business benefits from increased productivity before it has to hire additional workers. This is the natural result of increased attention to cost cutting in a recession period and to the coming into production of new and

more efficient plant and equipment. All in all, 1959 should see the recovery gradually attain former levels in the production index first and then progressively eat into excess unemployment. Because of rising indexes, business sentiment will be good, but boom conditions—when production and employment surpass the last peaks-will probably not come before 1960.

Now what about consumer credit. Experience during the recession does not justify the fear about consumer credit repayments. The record of Naturally there has epayment has been impressive. been some slow-down and some increase in repossessions of consumer durable goods in areas where unemployment has been concentrated. But the increase has been moderate-much less than seasoned finance company executives had anticipated.

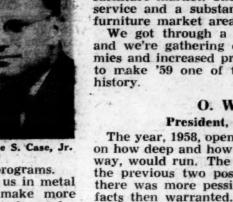
The consumer not only kept up his payments, but, contrary to the expectation of some, the heavy load of debt did not lower consumer buying power during the recession. For various reasons, in spite of the recession, disposable personal income—that is take home pay with the tax bite taken out-is actually several billion dollars higher at an annual rate than in 1957.

And consumers have not been salting the increase away in any greater proportions than in 1957. In the year of recession they spent at an annual rate in excess of last year. The sustained spending by consumers has kept the recession from sliding into a dangerous tailspin.

Only they haven't been buying the same things. They are spending \$2.5 billion more on soft and non-durable goods and \$6.5 billion more on services than last year, but they are spending \$4.5 billion less on automobiles and other consumer durable goods.

While staples, among consumer durables, have not been doing well, other durable goods with sales appeal have been doing very well. Sale of farm and home freezers, built-in electric ranges, electric water heaters, and food waste disposers exceeded those of 1957.

Because they haven't bought as much consumer durables in toto as last year, consumers haven't used quite



George S. Case, Jr.

C. M. Christie



as much consumer credit. There has been some run-off in consumer credit receivables.

Cyclical swings in the purchase of consumer durable goods are inevitable with, or without, the widespread use of consumer credit. These swings are inherent in the nature of durable goods.

Such durable goods are bundles of utilities which can be drawn on over a period of time. This makes the economy more vulnerable to cyclical fluctuations. But the vulnerability is in the nature of consumer durable goods, and not in the use of consumer credit to buy

them.
Indications are that automobiles and other consumer durable goods will be more prominent in 1959 consumers' budgets. That means an increase in the use of consumer credit in 1959,

#### WALKER L. CISLER

#### President, The Detroit Edison Company

The Detroit Edison Company looks toward 1959, in Southeastern Michigan, with measured optimism. During the final weeks of 1958, as the automotive industries began to achieve their planned production sched-

ules, industry generally experienced a definite upturn, and there are signs that broad advances in general business activities are under way. At least one automobile manufacturer has increased its production schedules for the next several weeks.

We see a modest increase in home building and are anticipating that about 27,000 new homes will be completed in our service area in 1959 This is not up to the figures of 1955 and 1956, yet is about 23% more than the 22,000 homes which were completed in 1958. All results so far point toward a continued growth in the domestic and commercial appliance sales as well as in electric



heating.

There has been a decrease in commercial business in the larger urban districts of our service area. However, this has been more than offset in the development of commercial businesses in the large shopping centers of the suburbs. Considerable construction activity is anticipated in 1959 for office and service purposes. This, of course, means to some degree increased opportunities

for employment in service type jobs.

In the industrial field, further diversification and a changing industrial pattern is being experienced through the greater utilization of the natural resources of Southeastern Michigan. A large new cement plant and a sili-con mining project are examples. The established industries which are reapproaching normal production levels have plans for further capital investment though it seems unlikely at this time that many such projects will be activated before the last half of the year.

Through research and development, many new applications and uses of electricity are rapidly moving forward. New horizons are continually opening up for the use of electricity in the home, on the farm, in retail business and in industrial production. All of these, we believe, will mean continuing growth.

#### JAMES A. CATHCART, JR.

#### President, General Reinsurance Corporation

In the field of property and casualty risk-taking, one has to be somewhat guarded in making forecasts. Unforeseen events of major proportions such as a number of wide-sweeping windstorms, or a sharp inflationary

swing in the economy, can turn a year of marginal profit into a year of underwriting loss. This is true not only in the case of an individual company, but for the insurance in-

dustry at large. Nevertheless, the American insurance and reinsurance industry have developed capital resources and protective techniques of risk spreading to a point where the market can successfully withstand shock a marked drop in the purchasing

losses, at least up to the cost of those which have occurred in the past, Barring unlikely disasters of even greater magnitude and also barring J. A. Cathcart, Jr. power of the dollar, it seems reasonable to assume that 1959 underwriting results will show

the last three years. The property and casualty insurance industry has been travelling through its worst historical cycle during which many millions of dolars of underwriting losses have been suffered. A sustained period of underwriting losses generally sets the stage for a succeeding period of satisfactory results. Adversity inevitably forces an improvement in general rate structure; a reduction in costs of marketing and processing; discouragement of much uninformed and reckless competition to the point of elimination; and a more sympathetic understanding on the part of rate regulatory bodies (regulatory agencies being political in nature are reluctant to impose higher rates on the insurance-buying public, but in the final analysis they are even more reluctant to allow an inadequate rate level to threaten solvency of weak insurers).

considerable improvement over those witnessed during

These factors have all been at work. It takes time for corrective action to reflect itself in insurance operating results, but during the latter part of 1958 we have seen an improvement in operating figures and there is reason to hope that this trend will continue in 1959. Of

course, there is always the spectre of further sharp inflation which unquestionably would cause an increase in the average loss payment without a commensurate increase in premium rates until a later year. This development would leave the primary insurers in the same sad state from which they have been striving vigorously to extricate themselves.

An insurance company seeks its profits not only from its underwriting activities but also from its investment income. In the investment area the industry has turned in an excellent result with respect to both income and capital gain. This phase of an insurer's operations is directly dependent upon the overall business economy and if 1959 shows the generally expected improvement in national economy, the operating figures and the balance sheets of insurance companies will benefit accordingly.

The fortunes of the American professional reinsurance industry are tied closely to those of the primary com-panies. If what seems to be the probable improvement in primary underwriting results takes place in 1959 the reinsurers could receive benefits to an almost proportionate degree.

#### GEORGE L. COBB President, S. H. Kress & Company

Before making a forecast for 1959, I think it well to emphasize that in any given year the economic trend, be it good or bad, will not be uniform in its application to various types of business, nor to individual companies

in any particular field. One of the great strength of the variety store chains, such as S. H. Kress and Company, is the fact that we cater to the broadest possible mass consumer market, and the tremendous diversity of merchandise which we offer to the public is legendary growing more so every day.

It is also true that there never was time when competition was keener in the mass distribution of goods. Food chains are selling non-food items: discount houses are multiplying; variety stores are frankly invading the department store field; and drug stores seem to sell most anything. Downtown merchants are

banding together in joint promotions to meet the competition of shopping centers in the suburbs.

While the greater publicity has been given to the technological advances of industry, the current changes in methods of distribution and retail selling are remaking the commercial map of the nation. Obviously these conditions place an increasing premium on the skills of scientific management.

If any mistake has been made in the past, it is the fact that management has concerned itself so much with selling merchandise that we have not given sufficient thought to selling the free enterprise system which makes the whole thing possible. Bigness gets criticized without regard to the efficiencies that only bigness can produce, and strange economic theories are bandied around, such as getting more for doing less. I predict that in the future management will pay more attention to publicizing the true economic factors that have given America the highest standard of living that the world

Speaking now of 1959, I believe that the healthic business tone which became apparent in the second half of 1958 will continue through the coming year, recording steady but not spectacular gains. Naturally, retailers as a whole will expect their volume of sales to follow

through on this gradual, upward trend.

But volume by itself is not enough if the margin of profit is unsatisfactory. In the year just passed, many companies, in both industry and merchandising, including the country saw. ing some of the best known firms in the country, saw

their profit margins squeezed.

I believe that the challenge for 1959 will be for capable, aggressive management to insure both the volume and the profit necessary to give the stockholders a fair return on their investment and at the same time provide the capital funds for the orderly growth that the future will surely require. I have confidence that this can be done.

#### L. L. COLBERT

#### President, Chrysler Corporation

After a year in which automoble sales dropped far below the average of recent years, there are many indications of a substantial improvement in the market for cars during the coming months.



L. L. Celbert

Although it is always hazardous to make predictions about the size of markets, and especially about the automobile market, present signs indicate that this year the industry could sell about a million more cars at retail in this country than in 1958. The estimated number of retail sales of passenger cars in 1958 is approximately 4,600,000, including imported cars. We at Chrysler Corporation believe that in 1959 the total will be in the neighborhood of 5½ million. And with the right combina-tion of market factors, it could go as high as six million, including about 400,000 imported cars.

Here are some of the reasons for anticipating a good market for automobiles next year:

(1) The 1959 models have been well received by the public. Helping to excite the consumer's interest are many new and attractive features, including basic restyling and numerous engineering advances. The newmodel changes are more sweeping and more important than in any model year in the history of the automobile business with the single exception of 1955, and they should continue to be an important market stimulant.

(2) Hundreds of thousands of prospective buyers postponed their new-car purchases during the months of economic uncertainty in 1958, and we believe a sizable percentage of these people will be in the market for new cars in 1959. Retail sales over the past six years have averaged nearly six million a year, but the widespread



postponement of car buying pulled 1958 sales well below this average. It is reasonable to expect that, with im-proved economic conditions, 1959 will come closer to being an average year for the automobile industry.

(3) Throughout 1958 there has been a strong and steady demand for used cars, and used-car prices have remained firm. We believe this is clear evidence of a strong, continuing demand for automobile transportation which could express itself in new-car sales in 1959. Higher used-car prices will also mean better trade-in vaules for the new-car buyer.

(4) A great many consumers are in an excellent fipancial position to purchase new automobiles if they choose. Personal savings have risen steadily since the first quarter of the year. Personal income is at a record level. And throughout the year automobile installment debts have been paid off faster than new debts were assumed. From October, 1957, to October, 1958, there was a faster and steadier decline in automobile installment debt than in any 12-month period since the end of World War II.

(5) There is evidence that 1959 will be a very good year for business generally. The national economy is showing many indications that it will continue its recovery from the recession and expand steadily, though perhaps only gradually, in the year ahead. Surveys indicate growing confidence among both consumers and businessmen. And improvement in confidence could mean a real lift for business in general and for the

automobile industry in particular.

Here are other recent signs of economic strength: Consumer spending is at a very high rate. Present rates of expenditures by Federal, state and local governments are at high levels. Factory producton has shown definite gains in recent months. Liquidation of business inventories is tapering off, and in some industries there has been a flow of new orders to replenish dwindling stocks. Residential construction activity is high. And expenditures for new industrial plants and equipment in the first quarter of 1959 are expected to continue the upward trend which started in the present quarter.

The car buyer is being presented with a very wide choice of brands, models, colors, engines, suspensions, transmissions, and prices. In addition to the 16 makes and 237 models of U. S.-built cars, he can choose from at least 55 different brands of imported cars in a wide range of prices. And cars produced in this country are giving him the greatest variety of body styling and the broadest range of optional equipment he has ever en-

With this wide selection of automobiles, and with manufacturers and dealers working hard to make up for a below-average 1958, competition for the customer's favor will be very active. We at Chrysler believe 1959 will be a good year for the automobile buyer. We think he will be able to find a car he likes and at a price that fits his means. And a year that is good for the buyer should also be a good year for the industry.

#### HAROLD W. COMFORT President. Borden Company

The year 1959 will be a good year for our company. Earnings should reach an all-time high, and dollar sales should be close to, or might possibly exceed, the record levels of 1957.

There are several reasons for my optimism. Economists predict a healthy business climate in 1959. This will have a beneficial effect on disposable consumer income, an important factor in the purchase of non-durable, as well as durable, goods. The rising population trend is also favorable to us as a food company.

Changes in our organizational structure and major realignment of some of our marketing procedures, initiated early in 1958, have already shown encouraging results. The period of adjustment that always accompanies such moves is about over: the economies and efficiencies stemming from these changes will be reflected in our 1959

We have terminated some unprofitable operations. This has resulted in a slight decline in dollar volume for 1958. However, earnings will be higher since our rate of profit has increased. The beneficial effect of these moves will be more marked in the coming year.

Two of our major new products—Super Starlac non-fat dry milk and Instant Whipped Potatoes—have met with excellent consumer acceptance in the areas in which they have been introduced. They should be in national distribution in the first half of 1959.

Several other significant new products, now in the laboratory stage, should be ready for test marketing before the coming year is over. We will also give increased emphasis to our cheese business. In the industrial field, our chemical operations will continue to expand. We are planning both to explanate

continue to expand. We are planning both to enlarge and diversify chemical foreign operations during 1959. Our completely integrated methanol plant in Brazil, under construction for two years, is ready to go on stream. Another chemical plant in South America is under consideration.

An increasing population and rising consumer incomes should benefit our milk and ice cream sales. With some 90% of homes equipped with refrigeration, many with freezers, housewives are more and more buying their ice cream with their groceries. Unseasonable summer

weather has affected ice cream sales in the past two years. Viewing the historic weather cycle, however, we are hopeful that the coming summer months will be favorable.

#### RALPH J. COMSTOCK

#### President, First Security Bank of Idaho, Idaho

The year 1959 promises to be the biggest year in our history. Substantial increases are expected in Gross National Product, national and personal income with the rate of increase corresponding somewhat to that of

1957. Not all segments of the economy will increase at the same rate, but continued upward adjustments which began in the last quarter of 1958 are anticipated. Trends in production and trade from October, 1958, through June, 1959, should be quite similar to those prevailing from late 1954 through the early part of 1955. Automobile and housing development, however, will not be quite so dramatic as they were in 1955. Sales will be at new high levels with possible decreases in unit costs. Profits should be larger. Consumer incomes will increase somewhat and living costs should be relatively stable. Patterns in segments of the economy should be somewhat as follows:



(1) In the first half of 1959 industrial production should increase by 10% from the 1958 levels and should approach the all-time high reached in December, 1956. Most mineral production will be slightly higher than in 1958 with an upward trend both in production and prices of metals in significant contrast to one year earlier. Lumber production should continue the increase which started last June; demand for housing and other construction materials are significant in this respect.

(2) Total agricultural income and cash farm income will be almost equal 1957 totals, but net income will be possibly 5% lower than in the excellent year of 1958. The huge crop surpluses hang over the market at least the first six months. Lower soil bank payments are expected. Livestock prices, however, should be relatively firm.

(3) Construction should continue at a rate close to that of 1958. This applies especially to housing which should exceed one million dwelling units. Tight money markets and some discount on mortgages are slightly deterrent factors in expanding housing construction. Local government construction for schools and public services should equal that for 1958. Highway construction, now rolling under the expanded program, will increase and be at the rate somewhat similar to that of the last part of 1958.

(4) Continued increases in savings are anticipated at commercial banks and other institutions, but the rate of increase may be slightly lower than in 1958, especially if consumers increase their buying as anticipated.

(5) Interest rates will continue at high levels and possibly increase further. Tight money policies on the part of the Federal Reserve in an effort to avoid the increasing inflationary pressure will be a significant factor in this respect. Inflationary pressures are sig-

(6) Retail trade should be good including that of automobile sales. Stable prices are generally anticipated. (7) Employment will increase by one and a half million, unemployment will decrease by more than one

SIDNEY B. CONGDON

#### Chairman of the Board, The National City Bank of Cleveland, Ohio

Most business analysts visualize 1959 as a materially better year than 1958 and the best year yet for the overall economy. If they are right, and I think they will be, it also is going to be an excellent year for banking. As the servants of the

business and family units which make up the overall economy, banks prosper as their customers prosper.

million.

Harold W. Comfort

One reason why an upward trend in business benefits banks is that interest rates usually rise along with the economy. This partly re-flects basic supply and demand factors and partly policy changes by the monetary authorities. If history repeats itself, and it usually does, interest rates in 1959 will on the average be higher than they were in 1958. Interest rates today still are on the low side compared with the years prior to the 1930s. A favor-



Sidney B. Congdon

able economic climate in 1959 also should bring further growth in the earning assets of commercial banks. It is noteworthy that total loans outstanding at all commercial banks combined actually averaged higher in the recession year 1958 than in the boom year 1957. In the year to come, a rising trend for business presumably will add to business needs for bank credit. An encouraging economic climate, furthermore, will stimulate the purchase of new homes and automobiles which will in turn be accompanied by more demand for real estate and consumer loans.

Some observers, noting the expansion of bank loans during the postwar period, are questioning whether banks will be willing to add to their loan portfolios. They note that the ratio of loans to deposits at all com-

mercial banks was 47% last October, compared with 38% in October of 1954 when the economy was coming out of that recession and 30% in the comparable month of the 1949 recovery. Nevertheless, there would seem to be room for further growth, as evidenced by the fact that during the 1920s the ratio ranged between 65%

Furthermore, loan growth in 1959 probably will be moderate rather than excessive. For one thing, banks will not be called on to finance all of the expanded cash requirements of business, inasmuch as greatly im-proved corporate earnings will fill a substantial portion of cash needs. For another, repayments on mortgages and consumer installment loans already outstanding are so large that the relending of those funds will take care of most of the loan demand in those classifications.

The monetary authorities logically may be expected to acquiesce in the moderate banking growth which would be required to finance full recovery in 1959. Their objective is not to starve the economy by limiting its credit supply, but rather to gear the supply of credit to the rate of growth in the economy's physical volume of activity.

In summary: Good prospects for the overall economy in 1959 suggest it also will be a good year for banking. With interest rates at a favorable level and a moderate growth in earning assets, bank earnings should be excellent in the year to come.

#### GEORGE H. COPPERS

#### President, National Biscuit Company

The outlook for the food industry in 1959 is very favorable. Sales volume should climb to new levels and the pace at which the industry has moved in recent years should pick up additional momentum in 1959. Not

as hard hit as some other consumer goods industries during the past year, the food business stands to benefit from the general economic recovery now underway.

There are no expected shortages of agricultural commodities in the year ahead. The food industry's plant and equipment has never been as up-to-date or productive. These factors, plus the steadily increasing demand of a growing population, should assure the industry of a ready market for a greater abundance of food products.

Competition in our industry will intensify in the coming year. The keen struggle for shelf space and

position in the retail food outlets is never-ending, and it will heighten in 1959. We will have to make heavier demands of our marketing plans and strategies to successfully meet stepped-up competition. Advertising and marketing efforts will have to be boosted to stimulate consumer interest and buying.

George H. Coppers

Food processing companies and manufacturers are doing more and more research, activity which should result in the constant introduction of new and better products. Consumers have come to expect them and we had better be prepared to deliver. But no new product program can be allowed to proceed helterskelter, without regard to a proper balance with the established, popular varieties with which most food companies are closely identified.

The constant pressure on margins will increase the necessity of finding better and more efficient methods, not only in production but in every aspect of the business. The war on waste must be relentless. All of us in the food field will have to continue the close examination of methods and costs in all phases of our operations. No company, however strong its present position, can afford the luxury of complacency. Only those firms using every available resource to improve performance can hope for success in the fight against tightening margins. For those who are willing to wage this fight with vigor and determination, 1959 can be a fine year.

#### J. E. CORETTE

#### President, Edison Electric Institute President, The Montana Power Company

With the Nation's economic recovery expected to continue at a moderate rate in 1959, the electric utility industry is looking forward to another record-breaking performance with residential, commercial, industrial and farm sales all expected to record

new highs during the coming year. More electric customers and greater consumption per customer are factors behind the projected growth in sales. Average use per residential and commercial customer set new records in 1958, and it is anticipated that industrial use also will see a distinct upturn in 1959 as manufacturers seek increased productivity and lower costs through expanded use of electric power.

To meet the predicted increase in the demand for electricity, the electric utility industry expects to keep right on adding to America's power supply during the next 12 months.



J. E. Corette

Last year, investor-owned power companies invested \$3.8 billion in new plant and equipment, or \$100 million more than they invested in 1957. Construction expenditures during 1959 will at least equal the 1958 total, and

# **Second Successive Annual Rise in Death Rate**

Moderate increase in general death rate in 1958 for United States, due to widespread outbreaks of respiratory disease, following epidemic of Asian influenza, reported by Metropolitan Life Insurance Company statisticians. Mortality from cancer and diabetes unchanged from previous year, with slight decline from accidents. Outlook for country's future health regarded as excellent.

a row, the general death rate for these causes in the two years is the United States is higher than it the highest in about a decade, but was in 1956, the statisticians of is still less than half the level pre-the Metropolitan Life Insurance vailing in the immediate pre-Company report. The rise is due World War II years, prior to the largely to widespread outbreaks widespread use of sulfa drugs and of respiratory disease in the early the antibiotics.
months of 1958 which followed the The impact of

1958 is estimated to be 9.6 per was for 1957—which is only 2% above that for 1956 and 4% above the all-time low of 9.2 established in 1954. For 11 years in succession now the mortality rate in our country has been below 10 per 1,000.

funds if desired.

In 1958, for the second year in isticians note. "The mortality from

The impact of the epidemic was epidemic of Asian influenza in the particularly great among older closing months of 1957. persons with chronic disease. Con-The increase, however, was sequently, the death rate from quite moderate. The death rate for diseases of the heart, arteries, and kidneys, which now account for 1,000 population—the same as it well over half of all deaths in the United States, rose markedly in the early part of the year. In the January-March period of 1958, the death rate from diseases of the heart, arteries, and kidneys was nearly 600 per 100,000, an increase of 8% over the like period of 1957. The disparity narrowed in suc-"The death rate from influenza ceeding months, and the outlook is and pneumonia in 1958 will ap- that the mortality from these disproximate that for 1957," the stat- eases for the year as a whole will

not be appreciably different from the rate for 1957.

#### Cancer Toll Constant

The mortality from cancer, which now accounts for almost one-sixth of all deaths, was practically at the same level in 1958 as in the preceding year, the statisticians state. In view of the increasing proportion of older persons, who are the chief victims of cancer, this record may be viewed as somewhat encouraging. Some significant gains are being re-corded as the result of early detection of cancer, particularly for certain sites among women.

The mortality from diabetes in 1958 likewise was little changed from that in 1957. Drugs taken orally have recently been found effective in controlling the bloodsugar level, and while their de-finitive evaluation will take time, present prospects are encouraging.

Continuing its long-term downward trend, the death rate from tuberculosis decreased slightly to 7 per 100,000 in 1958, it was reported. The tuberculosis death rate has dropped more than 50% in the past six years and about 75% in the past decade, mainly as a result of the newer methods of treatment.

The number of poliomyelitis cases in 1958 exceeds by a small margin the 5,894 cases reported in 1957, the statisticians estimate. In sharp contrast, in 1955 about 29,-000 polio cases were reported, and in 1952 nearly 58,000. The low incidence of the disease in the past two years reflects in large part the effectiveness of the Salk vaccine. However, 1958 saw a relatively high proportion of paralytic-type cases.

"The concentration of these cases among the unvaccinated points up the need to accelerate the vaccination program," the statisticians comment.

#### Childhood Mortality Continues Low

Childhood mortality in 1958 continued at the extremely low level of the last few years. Although 1958 was a "measles year," with an increase of nearly 60% in the case frequency over 1957, the number of deaths was relatively

Mortality among infants is adversely affected during periods of high incidence of respiratory infections, and consequently the infant mortality rates in 1958 and 1957 showed no improvement over that in 1956. This is the first interruption in the long period of rapidly declining rates. Nevertheless, the 1958 infant mortality rate is about a sixth lower than that recorded 10 years ago. Maternal mortality has not changed appreciably between 1957 and 1958, remaining at the very low rate of

about 4 per 10,000 live births.

The death toll from accidents was a little lower in 1958 than the year before. Part of the improvement reflects the decrease in fatalities from motor vehicle accidents.

"The outlook for the country's health in 1959 and the years ahead is excellent," say the statisticians. "The major task ahead is the control of chronic disease, especially diseases of the circulatory system and cancer, which have become increasingly important with the growth of our population of elders. The nation's health will benefit as various programs for health services continue to develop. An important factor in promoting the use of these services is the rapid growth of health

#### With Patrick Clements (Special to THE PINANCIAL CHRONICLE)

HOLLYWOOD, Calif. - Ira B. Smith is now affiliated with Patrick Clements & Associates, 6715 Hollywood Boulevard. He was formerly with James L. Fallon

## Phila. Mun. Club Receives Slate

PHILADELPHIA, Pa.—Charles E. Hoerger, of Merrill Lynch, Pierce, Fenner & Smith, Inc., has been nominated for President of the Municipal Bond Club of Philadelphia for the coming year. Philadelphia for the coming year, James W. Heward, of Butcher & Sherrerd, President of the Club, has announced. The election will be held at the Club's annual meeting Feb. 5, at the Orpheus Club, Philadelphia.

Donald W. Poole, of Poole & Co., was nominated for Vice-President; Alexander B. Brock, Stroud & Co. Inc., Secretary; and C. Carroll Seward, Yarnall,

The Nominating Committee was composed of William H. Hobson, Jr., De Haven & Townsend, Crouter & Bodine; John H. Derickson, Jr., Blair & Co.; Walter D. Fixter, J. W. Sparks & Co.; Russell W. Schaffer, Schaffer, Necker & Co.; and Russell C. Schuler, The First Boston Corp.

#### Dean Witter Adds

(Special to THE PINANCIAL CHRONICE)
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Jos. F. Cullman, 3rd

#### Continued from page 40

approximately 13,600,000 more kilowatts of capability will be brought into service, of which 10,200,000 kilowatts will be added by electric power companies.

The 1959 estimate is merely the beginning of a rapidlygrowing expansion program, and in 10 years the electric utility industry will be adding more than 20 million kilowatts per year to keep abreast of consumer demand in our expanding economy.

To serve the needs of its electric customers in 1958, including the requirements of defense establishments, the electric industry generated 641 billion kilowatt-hours of electricity, an increase of 10 billion kwh over the

Contributing to this demand was the addition of one million new customers, more than 85% of whom were new residential customers. Population growth is expected to continue at the rate of more than three million annually and, with new family dwelling starts in 1959 estimated at 1,200,000, the industry has a sound basis

The constantly increasing residential use per customer is one of the industry's most significant built-in stabilizers. During 1958, average annual use of electricity per domestic customer totaled 3,385 kilowatt-hours, another new high and 211 kwh over 1957.

During the post-World War II period, use of electricity by industry has been increasing at the rate of about 10% per year. This long-range trend was interrupted in 1958 due to a decline in manufacturing activity but the industry looks forward to increased industrial loads during the coming year.

The coming year will bring problems for the industry as it continues to combat the trend toward government control and unfair competition from government and other tax-free agencies. During 1959, it will be more important than ever before to educate and inform the American people on the benefits they receive from free competitive enterprise and about the disadvantages of tax-free government encroachment. In this campaign to bring about better understanding on the part of the public in problems that are vital to them personally, the electric utility industry will not be alone because all business and industry face this problem.

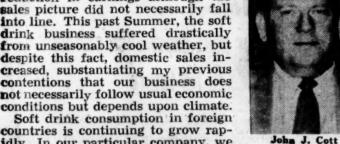
#### JOHN J. COTT

President, Cott Beverage Corporation

Comments that I made last year regarding the carbonated beverage industry seem to be substantiated by the results for the fiscal year 1958.

Although a recession caused reduction in sales and

dividends for most manufacturing companies who published financial reports during 1958, the soft drink industry coincidentally suffered from reduction in earnings although the sales picture did not necessarily fall into line. This past Summer, the soft drink business suffered drastically from unseasonably cool weather, but despite this fact, domestic sales increased, substantiating my previous contentions that our business does not necessarily follow usual economic conditions but depends upon climate.



idly. In our particular company, we

have made new inroads in such countries as Newfoundland, West Germany, Spain, Malta, Kuwait, Lebanon, and British East Africa. The increase in foreign distribution and the interest in American soft drinks generally is further indicated by a Master Franchise recently executed with Adam Consolidated Industries, Inc. for the manufacture and distribution of Mission Products for our Mission Division throughout all countries in Free Europe. Within a short time at least four bottling plants will be operating in the West German area alone. These growing activities should be significant during future years in changing our sales and earnings figures.

General business adjustments presently under way as 1958 closes, should have little or no effect on the continued forward progress of the carbonated beverage industry. However, with business adustments under way in other industries, a further opportunity is presented to push sales forward, geared to the demand for food and other allied products. These facts, combined with warm weather during the Summer of 1959, are positive forces which should result in a banner year for 1959. I believe that other industries have passed through their periods of adjustments in the immediate past and although depressed conditions affected some consumer buying, such curtailment of buying power has not greatly affected soft drink purchases. If soft drink consumption is continued at its normal rate of expansion and as stated above, if we have a warm Summer in 1959, the earnings picture for the carbonated beverage business should be very

#### C. R. COX

#### President, Kennecott Copper Corporation

The year just closed was a difficult one for the copper industry. In the first six months the domestic demand for copper declined to a point where it was necessary for copper companies generally to reduce production. However, in the second half of the



Charles R. Cox

consumption, demand was in good balance with supply, and prices had recovered from the abnormally low point reached in the first quarter.

year improvement in general busi-

ness brought an increase in the

demand for copper and before the

end of the year it was necessary for

copper companies to increase their

rates of production. Also in the sec-

ond half, the extremely low world copper prices improved. By the end of the year producers' stocks

amounted to less than one month's

The outlook for 1959 is for further improvement. We expect that the U.S. demand will increase as a result of rising industrial production, greater automobile sales and increased building construction. We anticipate that the foreign demand will continue to be good, although not as good as in the record year 1958. Figures on deliveries to fabricators for the last three years in thousands of net tons, and estimates for 1959, are as follows:

			TOUCH MADE IN
		U.S.	Foreig
1956		1,466	1,367
1957		1,278	1,575
1958		1,190	1,730
1959	(est)	1,350	1,560

On June 30, 1958 the legislation in effect since 1951 suspending the duty on copper imported into this country expired. This resulted in the automatic imposition of a duty of 1.7 cents a pound.

The world supply of copper in 1959, available from increased production of existing properties as well as production from new properties coming in during the year, will be adequate to take care of demand, and should permit needed rebuilding of stocks. It should be noted that labor negotiations in the U.S. copper and steel industries will be opened in mid-year.

#### RALPH W. CRUM

#### President, The First National Bank of Miami, Fla.

Commercial banks reflect economic conditions of the area which they serve. In times like these, banks should no longer play a passive role but must show aggressive leadershp in order to guide the progress of their com-

munity. In no other area of the country does this have more meaning or importance than in Florida and particularly in the fast growing Miami area.

Florida has one of the steadiest long-term population growth trends in the Nation. Together with this rapid influx of new residents calling for an attendant expansion in housing, public utilities, etc., we have also attracted an increasing number of new industries which provides needed employment. Industries moving into Florida include pulp, paper and chemical plants concentrated in the northern areas of the state to utilize water, timber and other nat-



Ralph W. Crum

ural resources. More recently, aircraft, electronics, engineering and similar industries are establishing plants in South Florida to take advantage of available skilled manpower and warmer climate. The same climate also permits a thriving citrus industry as well as vast cattle ranges and intensified areas producing various kinds of truck crops. Florida is a growing market within the Caribbean area and Latin American countries of which Miami is the focal point.

The decline in business occurring in late 1957 and early 1958 was not as severe in the Miami area as elsewhere. Bank debits for the first nine months of 1958 were 3% higher than for the same period a year ago. Bank deposits have also increased by 4%. The average rate of growth, however, since 1950 has been about 7% each year. Further study of the economy, as shown in such trends as employment, construction activity and of sales tax collections, indicates the expansion has slowed down to this lesser pace. The bright spot in these developments is the progress being made in establishment of new industries in Florida. A large share of the industrial growth is taking place in Dade County giving greater balance to a Miami economy which traditionally has been heavily dependent upon tourism. Today, there is hardly a noticeable difference in activity between the popular winter tourist season and other periods of the year.

With the business recovery apparently underway in our national economy, activity here should again be accelerated. For this reason, the outlook for commercial banking in South Florida presents a tremendous potential growth.

## JOSEPH F. CULLMAN, 3rd

President, Philip Morris Inc.

In 1959 Philip Morris Inc. and the cigarette industry will move out into an era of further long-range growth based on a firm foundation built last year. In 1958 the industry, and Philip Morris as an individual company in

the industry, developed the ability to cater successfully to continuing changes in consumer demand. This, in turn, led to the industry's

and the company's 1958 peak sales To set a new sales record in 1958, the cigarette industry conquered the challenge of a growing smoking pop-ulation which has become increasingly selective. The fact that cigarette sales in 1958 topped the previous all-time record set in 1957 by about 4.5% dramatizes the extensive attention to product and market research by which the industry has been able to meet successfully the highly dis-criminating tastes of a continually

increasing number of smokers.

The development of this ability to give the customers what they want is the most significant event of 1958 for the cigarette industry, for this is the basis on which estimates now being prepared on 1959 predict a further gain

of 3% in the industry's sales this year. For Philip Morris Inc., 1958 also was another year of encouraging progress and marks the fifth consecutive year in which both earnings and sales topped the previous year's totals. This reflects mainly the new and greater strength and popularity smokers have accorded the company's cigarettes in a highly competitive market.

Thus, the approach of 1959 finds our company in particular, and the industry in general, in positions of strength and high optimism.

The industry's capacity to cater to the rapidly changing tastes of a continually growing smoking market lifted cigarette sales in the United States to an all-time high record of about 428 billion in 1958. The previous peak, set in 1957, was 409.4 billion cigarettes. The increase is nearly 4.5%

Sales of filter-tip cigarettes continue to set the pace and in 1958 accounted for about 47% of total volume. A year ago, they represented approximately 40% of total

The success of our new high filtration Parliament cigarette first introduced in January, 1958, and the continuing sales gains recorded by the company's filter-tip Marlboro in the popular price range dramatize the fast growth of filter cigarette sales and at the same time demonstrate the company's ability to keep its product line in constant phase with consumer preferences and

Philip Morris completely re-engineered and reblended Parliament as a high filtration brand and placed it on the market with an exclusive one-quarter inch recessed filter last January. In the first four months of 1958, this new high filtration Parliament offering the exclusive advantage of a recessed filter sold almost 2 billion cigarettes at popular retail prices. This was as many as had been sold during the entire previous year.

Harry Wootten, the industry's accepted independent analyst, recently reported that this new Parliament has made the greatest percentage gains of any cigarette in 1958, 235%

Marlboro, which broadened its appeal to smokers last June when it also appeared in a soft package companion to its now famous flip-top box, demonstrates in another way the new and increasing attention which the company and the industry give to marketing. The step coincided with the introduction of a newly re-engineered and more effective Gold Crest Marlboro filter.

Introduced nationally in 1955 as a popular-priced filter cigarette concentrating on flavor, Marlboro, in 1958, continued its steady sales gains. In its first year, 1955, Marlboro became a national leader selling 6 billion cigarettes compared to the 283 million cigarettes sold the year before Marlboro changed its brand personality. During 1958 the brand enjoyed sales of approximately

Philip Morris also recently added a new marketing dimension to its advertising for Benson & Hedges, its premium price quality cigarette. The advertising explains dramatically and simply that by paying more for Benson & Hedges a smoker gets more in the form of a custom quality cigarette. In today's improving national economy and with the increased number of smokers, there is a definite place for a premium priced, premium quality cigarette such as Benson & Hedges which combines a high quality product with a unique package and appeal. While early reaction to this new approach has been quite successful, it is too early to make definite predictions based on present sales increases.

Additionally, sales of the company's brand cigarettes continue to maintain their industry position among nonfilter cigarettes which now share the total market almost equally with the filter brands.

In 1959, Philip Morris Inc. will broaden its scientific research horizons with the opening of the new McComas Research Center in Richmond, Va. This will give the company the most modern facilities in the industry and emphasizes anew the expanding role of research in product planning and sales.

The company's diversification program, launched in mid-1957, took a second step forward last April with the acquisition of Polymer Industries, Inc., a company well known in the industrial adhesives and textile chemical

# **Our Changing Export Position** And Untenable Trade Policy

ready causing some alarm.

Increased imports of products tion between the investing companies and American labor, as well as friction between small and big companies, since most of the foreign plants probably will be es-

tablished by larger corporations.

The establishment of the European Common Market, therefore, underscores the need for a flexible foreign trade and tariff policy. negotiate realistically with the ECM and other countries for prompt tariff changes. There is present Trade Agreements Act and more meaningful. Program is adequate for the pur-

#### U. S. Foreign Trade Policy

From the close of World War I highest point in their history.

In 1934 there was an abrupt the Trade Agreements Act and the inauguration of the Cordell Hull Reciprocal Trade Agreements Program. Under this Act the President was authorized to make agreements with other countries for the reciprocal reduction of tariffs and for the amelioration of import quotas. Between 1934 and the close of World War II many such agreements were made. The avowed hope was that such reductions would lead to increased international trade and, ultimately, to the re-establishmment of a world-wide multilateral trading system, at least for the non-Communist countries.

In some cases tariffs were to 100%, or from 100% to 50%, since the law allowed the President to reduce them to 50% of their 1934 levels. In 1945 he was given additional power to reduce them to 50% of their 1945 levels.

In 1947 the United States accelerated the tempo of tariff reduction and embarked upon a program of multilateral, as opposed to bilateral, agreements. At a large international conference in Geneva it was party to the original General Agreement on Tariffs and having low wage standards. Trade (the GATT) and in a series

from American-controlled facto- excess protection, had been ries. The increased imports of Eusqueezed out of the Tariff Act and ropean-type automobiles are al- it became increasingly difficult to reduce duties without threatening to injure domestic producers.

made with American capital and In 1947, the same year that the European labor could cause fric- new multilateral approach was In 1947, the same year that the adopted, Congress insisted upon the inclusion of an "escape clause" in all trade agreements. Under this clause, which has been strengthened several times since 1947, the President is authorized to increase duties or to impose quotas, if necessary, whenever any import increases to a point that the Tariff Commission ascertains The United States will need to seriously injures, or threatens to injure, domestic producing interests. Congress has been increasingly fearful of tariff reductions considerable doubt whether the as they have become more and

Ever since 1934 emphasis has been upon the reduction of tariffs rather than upon the increase of imports, so that, at the present time, we have the phenomenon of to 1930 the United States raised the United States (as well as other its tariffs until they reached the countries) trying to reduce tariffs without actually increasing competitive imports. Much of the efturn-about, with the passage of fort of the inter-departmental a policy but, while doing so, adopt committees that are charged with the responsibility of preparing trade agreements, has been devoted to ascertaining which tariffs can be reduced without injuring

domestic producers. All of this is an integral part of present trade policy, notwithstanding that the rationale of a multilateral trading system is that international trade should develop, as closely as possible, in accordance with what economists call the Principle of Comparative Advantage. Expressed simply, this principle means that countries will gain if they concentrate their production and exports on products in which they enjoy the greatest "slashed" from 200%, ad valorem, degree of comparative advantage, relative to other countries.

Yet, the philosophy of "avoid-ance of injury," to which we are committed, tends to block the imports which, by the nature of the case, are the most troublesome, competitively. They include such products as pottery and chinaware, certain kinds of textiles hardwood plywood, bicycles and other products with a high percentage of labor cost and, therefore, most adaptable to countries

Present policy is self-contradicof conferences in the years fol- tory. On the one hand, we want lowing continued to reduce duties. to increase trade and re-establish However, by the close of World a multilateral trading system. On War II most of the "water," or the other, we want to avoid seri-

ous injury to any domestic producing interest. The easy way out has been to reduce tariffs wherever they can be reduced without encouraging competitive imports. We have now reached the point where this policy is no longer tenable.

#### Possible Lines of Action

Broadly speaking, the United States can follow one of three policy lines.

First, we can abandon altogether the idea of tariff-reduction and trade stimulation. We can openly revert to a policy of protectionism similar to that which prevailed between the close of World War I and the Smoot-Hawley Tariff Act of 1930. That this would be a dangerous policy, in view of the bipolar non-Communist - Communist world in which we live is fairly evident.

Second, we can continue our avowed policy of reducing tariffs to stimulate foreign trade and to reestablish a multilateral trading system. Were we to follow such a policy consistently and ruthlessly, however, a number of weaker industries and establishments would be displaced by imports. Although the number of workers displaced would be relatively small, it would be painful to them. Practically speaking, such a policy would be politically unthinkable at the pres-

We could, however, pursue such some sort of "adjustment assistance" program for easing the adjustment of the capital and labor that would be displaced by imports to other lines of production. Such a program was proposed in a minority report of the Randall Commission and has been embodied in a number of Congressional bills. Such an arrangement is provided for in the treaties estab-lishing the European Coal and Steel Community and the European Economic Community.

Third, we can abandon altogether the idea of stimulating international trade along the line of comparative advantage and emphasize, instead, trade along the line of absolute advantage. An industrialized country with a lowwage standard, such as Japan, can produce many lines of goods competitive with our own, even though they are not always the lines in which the country would specialize if trade were completely unrestricted.

Japan can produce many lines, other than textiles, pottery and other products that compete almost exclusively on a price basis. She can produce high-quality products, including many kinds of machinery. It would be possible for us to make agreements with such countries providing for the limited importation of certain kinds of goods with limited exemption from the escape clause.

Such a policy might be inconsistent, at least in a narrow sense, with the unconditional most-faorea-nation policy and would involve bilateral, or polyangular, agreements with respect to specified products and specified countries. It would lead to an increased "channelization" of trade in contrast to the open, unregulated kind of trade that is envisioned by our present avowed policy of "equal-treatment." But, it would lead to increased trade.

Practically speaking, the United States can choose between the philosophies represented by the second and third alternatives. As it is, we fall short of having any clear, positive foreign trade policy.

#### Joins K. E. Kennedy

(Special to THE FINANCIAL CHRONICLE) LOS ANGELES, Calif.-Eldon E. Gill has joined the staff of Kenfield E. Kennedy, 6363 Wilshire Rouleward. He was formerly with McCormick & Co.

# Good News, or -

"Increases in wage rates were negotiated or put into effect this year for about 85% of employes covered by major collective bargaining contracts. These bargaining situations, each covering 1,000 or more employes, affected approximately 6,800,000 workers.

"Of these workers, 3,500,000 obtained increases as a result of settlements concluded during the year, preliminary estimates showed. Rate hikes were supplemented by cost-of-living adjustments in a number of cases.

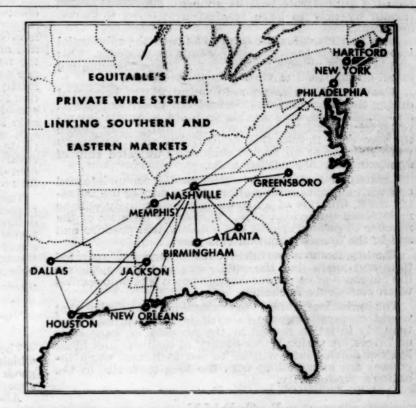
"Some 3,300,000 workers received increases under deferred and/or cost-of-living adjustments negotiated in earlier years but effective in 1958.

"Raises most often averaged 12 cents an hour, with six out of 10 workers receiving at least this amount.

"A majority of the workers covered by 1958 negotiations also received increased supplementary benefits."-U. S. Department of Labor.

These facts are doubtless regarded in many quarters as indications of "social progress."

But are they? Does that not depend upon other. facts not cited-whether, for example, these wage earners increased their contributions to production, at least proportionately, and whether they were or were not already receiving a larger share of current output than their part in production warrants?



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fields for its technical skills and achievements. In 1959 this company will double its present research, manufacturing and office facilities in Springdale, Conn. The expansion will add 12,000 square feet of manufacturing area and 8,500 square feet of laboratory and office space. The expansion is based on an encouraging future backed by a substantial increase in sales during the past year and a half.

The acquisition of Milprint, Inc., a leading company in the field of flexible packaging, in July, 1957 launched the diversification program of Philip Morris.

Philip Morris, with its strong capital structure, regards its diversification program as an important new source of added strength and capacity for future growth.

The cigarette industry and Philip Morris are highly optimistic about the outlook for 1959. The smoking population is increasing and cigarette sales are running at peak levels, with long-term forecasts predicting continued gains and a sales level of 500 billion cigarettes by 1965. The benefits of modern research, marketing and manufacturing technologies make it possible for the industry to cater to consumers' changing preferences.

#### HARLOW H. CURTICE

Former President, General Motors Corporation Chairman, Genesee Merchants Bank & Trust Co., Flint, Michigan

All signs point to 1959 as a year of good business generally.

Since the low point of the recession last April, a substantial degree of recovery has taken place in most

sectors of the economy. The annual rate of new housing starts has shown a sharp increase, while the total dollar value of construction contracts has been at a record seasonal level. The period of inventory adjustment is behind us, and the decline in expenditures for new plant and equipment appears to have been arrested. Spending by government and by consumers is increasing. Industrial production and employment have been moving up. Personal income is at a record level, and gross national product on a seasonally adjusted annual rate basis is almost certain by now to have reached a new peak.



Harlow H. Curtice

Most important for the future has been the substantial improvement in business and consumer confidence. This should in the months ahead have a further stimulating effect on the trend of various business factors.

Recovery of the automobile industry was hampered during the latter part of 1958 by labor uncertainties and strikes. Dealers were unable to build adequate inventories of 1959 model passenger cars until shortly before the year end. Despite this, deliveries to retail customers were running at an annual seasonally adjusted rate of approximately 51/2 million units.

I anticipate that, with consumer confidence maintained and with a proper selling effort on the part of the industry itself, this rate of 5½ million units annually will be maintained throughout 1959. That is my estimate of the number of passenger cars the industry will produce and sell in the domestic market this year.

The key factor is confidence. It has been demonstrated time and again that the public can and does postpone the purchase of consumer durable goods like automobiles when confidence is shaken.

The principal threat to mounting confidence that would currently appear to exist is inflation, and particularly inflation caused by the pressure of wage costs on prices. A major responsibility of business and labor leaders during 1959 will be to see to it that wage increases are kept in line with the long-term rise in the nation's productivity.

#### R. C. DALY

#### President, George A. Fuller Company

The construction volume for the year 1958 has been very much as predicted a year ago. The executed volume of work for the past year was slightly greater than that of 1957.

Predicting the volume of work to be executed for the year 1959 is easier in the construction field than any other. Construction volume for 1959 is fully dependent upon two things: contracts awarded during late 1958; projects now on the drafting boards.

Because of these two factors, it is reasonably certain that the total volume of construction to be executed for the year 1959 will be at least equal to that of 1958. There is a limit which must be placed on the overall construction volume. This limit is dependent upon the supply of skilled mechanics for the installation of work.



R. C. Daly

Construction trades are not sufficiently elastic to permit the wholesale increase or decrease in the number of qualified mechanics. It takes years of training in order to properly staff a construction job.

In certain sections of the country a slight recession in construction is now being felt. This is a reflection of the dip in the 1957-58 overall economy. This should

not cause too much alarm. The volume for 1958 was fine and the volume already contracted in 1958 for execution in 1959 is fine. The amount of government work to be released for the coming year will insure a bur wear for 1959.

#### LOUIS W. DAWSON

#### President, Mutual of New York

In 1959, we will see a continuance of the evolution and development which have characterized the American economic and social scenes in the past. Expanded economic activity, a growing population, and increasing numbers and sizes of family units,

are some of the factors in our economy that change appreciably from year to year. This process of development and change in our economic and social picture means that the needs and desires of individuals and families are also constantly changing. The significance of this to us in the life insurance business is obvious; if we are to do our job properly, we will have to keep pace with these changes.

Speaking for my own company-Mutual of New York-and I am sure that this extends to the life insurance industry as a whole, I can say that we will be ready during the

coming months with new products to meet people's changing needs and desires. We will offer new benefits, new types of policies, and expansion of coverages "tailor-made" to meet the individual's special needs, all designed to keep up with the changing economic picture and shifting social scene.

Louis W. Dawson

The year 1959 will see a determined move on the part of Americans for more security. The reason for this is the economic readjustment we experienced in 1958, recovery from which is not yet complete as 1959 begins. During a period of business readjustment, the economic uncertainty that is experienced causes most people to think more about security. This concern for the future will result in Americans turning to life insurance in record numbers during 1959 to provide them-selves and their families with the stability and security

People will avail themselves of the opportunity to obtain guaranteed security through the use of life insurance at an unprecedented level this year. The larger family is once more prominent on the American scene, and now represents an appreciably larger percentage of the nation's family structure than was the case a decade ago. High income taxes make it more difficult for family heads to accumulate an estate, or even protection for their own emergency needs without undertaking speculative risks. These trends, coupled with an observable move toward thrift in personal economic matters, will bring about still another record high in 1959 by raising the number of policies bought and the average coverage of the insured family to a new high level. Accident and sickness insurance will also keep pace with its recent spectacular advances in coverage.

The increase in insurance ownership which we can expect in 1959 will mean a record number of premium dollars available for investment by life companies. The investment activities of companies like MONY will thus assume added importance as we funnel these funds into the economy. We will be in a greater position than ever before to supply necessary capital and exert a beneficial influence on the country's expanding economy.

#### HARRY A. DEBUTTS

#### President, Southern Railway System

The outlook for the South, and particularly that area which is served by the Southern Railway System, is good. The "recession talk" going the rounds in 1958 apparently had few, if any, listeners in the South.

Along the lines of the Southern alone, more than 330 new industrial

projects were undertaken or announced during the year, which represents an increase of more than 30% over the previous year. Based on the announcements of these projects, the total investment will exceed \$340 million and over 14,000 new job opportunities will be provided.

Since World War II, the Southeast outpaced the national average by most of the accustomed measures of economic growth, according to a recent U. S. Department of Commerce report. Among other things, this report stated that the dollar value of construction contracts dur-

ing the postwar period jumped 220% in the Southeast as compared with 61% for the nation as a whole. It is my belief that continued rapid industrial expansion is in store for the South in the years ahead.

Harry A. DeButts

As to the railroad industry, its outlook for the future was brightened considerably last year with passage of The Transportation Act of 1958. However, the industry's rate of return on net investment last year was only 2.7%. This is "peanuts," when compared with the returns of other industries, when related to the essential nature of railroad service in peace and war, and when weighted against the nation's need for modern, progressive railroad service.

The recession accounted only in part for the railroads'

low rate of return last year. Increasing wage rates and other rising costs of doing business also are responsible. So are the continuing inequities in public policy with respect to transportation which continue to "hogtie" the railroads. Here, the bright hope for the future lies in Senate Resolution 303 adopted last summer. It cited the inequities and authorized a thorough study of major questions of transportation policy. Out of this study, it is to be hoped, will come the ground rules that will enable railroads to compete on equal terms with other modes of transportation.

Given the opportunity to earn a rate of return commensurate with their responsibilities to the nation, the railroads can make dramatic contributions to the nation's economy, to its transportation service, and to its defensive strength.

#### RUSSELL L. DEARMONT

#### President, Missouri Pacific Railroad

1959 may well be the year of decision by, and for, the railroad industry, and the success or failure of the nation's railroads in the year ahead will be determined by the carriers' own approach to their problems and the solutions they find therefor, as well

as by the attitude of the new Congress of the United States.

Concurring in the thinking of the best financial minds of the country that the 1957-'58 depression period is over, we foresee improved rail earnings, but this will not solve all the industry's problems since they did not originally stem from economic conditions in the country. The reasons are more basic.

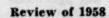
Long outmoded regulations, federal, state and local, keep railroads from fairly competing for the volume of business they must have to be successful. If they were only accorded the same rate making privileges that are given to their major competitors, the

picture would be much brighter. Diversification of their operation so that a complete transport service may be supplied a shipper is another must. It would result in faster, cheaper, safer and more

convenient movement of freight. The equally outmoded labor setup on our railroads must be the subject of earnest consideration by the leaders of labor and management during the coming year. It is wholly unrealistic to deny the industry the tremendous potential benefits that may be derived from the advances of modern technology. Only a modern successful industry can offer the security to its employees that they want and are entitled to. The situation calls for a very high degree of statesmanship by their leaders as well as by those of management.

The important challenge, the most vital decision the industry must make, is whether it will be the great transportation agency of the country or a continually shrinking, less important factor in the transport field. If we meet our problems by retiring from every field where the going is rough, we will deserve the minor place that such an attitude will put us in. We will deserve the waning interest of the public and the Congress that will certainly follow such a course.

No major railroad can prosper, can long exist by itself. We are basically dependent one on the other. The fact that we can offer transportation for people and property to and from any important place in the country, is one of our greatest attractions. Recognizing our interdependence, we should be slow to take unilateral action in the matter of withdrawal of service, without weighing the effect on the industry. United we can build a greater transportation industry. Divided we will surely fail.



Economic conditions have shown a decided improvement during the last quarter of 1958. Missouri Pacific carloadings earlier in the year were running as much as 13% behind 1957. With the upswing in business during the last few months the railroad expects to end the year with loadings down only 51/2% compared with the

Gross revenues for 1958 will total about \$290 million, down 3% as compared with 1957. Wages continued their upward spiral, adding about \$8.8 million to operating costs. The impact of this and other operating costs has been offset to a large extent by close control of expenses. Missouri Pacific expects to end the year with a balance, after mandatory appropriations for capital funds, of approximately \$4.5 million.

After careful study by a special committee, the Board of Directors last August concurred in the committee's recommendation that merger of the Texas & Pacific Railway with Missouri Pacific should not be undertaken. The committee pointed out that such an end-to-end merger of two railroads, would not produce the economies which are often present in a merger of parallel lines.

However, through subsequent purchases Missouri Pacific now owns more than 80% of Texas & Pacific stock. This permits the filing of a consolidated Federal income tax return, thus relieving Missouri Pacific of paying taxes on dividends received from the Texas & Pacific.

During 1958 Missouri Pacific placed 1,615 new freight cars in service. Of this total, 815 box cars and 750 gondolas were built in the railroad's own shops at De Soto. Mo. Fifty Airslide hopper cars were purchased outside.

The growing usefulness of trailer-on-flat car shipments, with its modifications for specific shipper de-



Russell L. Dearmont

mands, led to the purchase of 100 new mechanically refrigerated trailers and 50 tractor units to add to those already in service in Missouri Pacific piggy-back operations handling perishable commodities, principally from the Rio Grande Valley of Texas.

Its lines completely dieselized since 1955, Missouri Pacific had a total of 879 diesel units on its roster at year's end, with all the road locomotives and most yard switchers radio-equipped.

Construction was begun on the first 12-mile section of a new 23-mile branch line to run from Cadet, Mo., to Pea Ridge, the site of a new iron ore development in Washington County, Missouri.

Work is progressing on the new multi-million dollar "push-button" freight car classification yard at Kansas City. To be equipped with the latest electronic devices in hump yard operations, the huge new yard will be placed in partial service in February.

Realization of the vast industrial potential of the great Southwest and Gulf Coast territory served by Missouri Pacific continues. In the past ten years some 3,600 new industries, with an estimated capital investment of more than \$1.5 billion have located there. New establishments and expansions of existing plants during eleven months of 1958 represented still more opportunities for Missouri Pacific. 178 new industries with estimated capital investment of more than \$28.5 million were established, while 226 expansions, totalling more than \$49.3 million, added to the freight traffic potential of the region.

The policy of seeking increased passenger traffic for Missouri Pacific trains will continue. We will be on the alert for improved service and will be looking for added innovations to popularize our passenger trains.

Among the various plans instituted to induce passengers to ride Missouri Pacific trains was the idea of special trains to special events for group movements of people. These invariably were well-patronized and paid off in revenue as well as good-will. The use of low-cost tray meals for coach passengers in the Eagle trains met with astonishing success. Started in December 1957, 70,000 such meals have been served through October 1958.

Honoring coach tickets in sleepers and substantially reducing Pullman charges on some runs were probably the most successful of Missouri Pacific's many experiments to increase its passenger business. First instituted on the Houston to Brownsville, Texas trains, the Pullman revenue from May through October increased 24% in 1958 over 1957's revenue from the original higher fares, while the local rail revenues on those trains increased 68% in the same period.

The Thrift-T-Sleepers on the Colorado Eagles (St. Louis to Denver) likewise showed an awakened traveler interest when lower-cost train travel was made available. Surveys among passengers in these coach-fare sleepers indicated that 37% would have used just the coach seat had not reduced Pullman fares also been in effect; 23% would have traveled by air, 14% by private automobile and 3% by bus. Only 10% were former standard Pullman car patrons who took advantage of the saving offered.

In December, Missouri Pacific introduced that popular American custom, the "coffee break", to all its passengers. Free coffee is now served mornings and afternoons aboard all trains carrying dining cars. These innovations may be supplemented with others in the year ahead.

#### Outlook for 1959

On the whole, the prospects for 1959 appear to be favorable for the Missouri Pacific. The West-Southwest territory served by this carrier seems to be accelerating its recovery from the effects of the depression more swiftly and surely than many other regions. Its diversified economy is perhaps responsible for most of this healthy condition, for the raw products of agriculture, mines and forests are in nearly equal balance with manufacturing and industrial output.

#### MANUEL A. DEL VALLE

Chairman, Fajardo Eastern Sugar Associates

For both the immediate and the long-term future, sugar production prospects look bright for Puerto Rico. With both expanded volume and improved production facilities, earning outlooks also are favorable, particularly for the long pull. The recovery in production will result largely from more normal weather and operating conditions, but in some part from improved techniques and practices which have been adopted by the industry.

In the early 1950s, Puerto Rico served as a reservoir of excess sugar to protect against a shortage of sugar in the mainland U. S. market. In fact, during the period from 1949 to 1956, nearly a million tons more sugar was produced than the industry was able to harvest and sell under the U. S. Sugar Act.

The carrying of excess sugar was a costly practice for growers and processors, so that in the period from 1953 to 1957, the industry intentionally reduced its production.

In August 1956 the industry suffered from hurricane damage. With around a million tons of carryover cane in the fields, the effect of the hurricane winds proved to be serious. What was more serious, however, was that this hurricane was largely devoid of rain and was followed by a long period of drought, which affected the cane very adversely.

The dry weather continued through the growing season for the 1958 crop. Then, in the middle of the 1958 harvest, heavy rains set in and caused one of the lowest rates of recovery of sugar from the cane ever experienced in the industry.

Production of sugar, which had already been cut from 1,360,000 tons in 1952 to 1,138,000 tons in 1956 to bring output in line with U. S. Sugar Act quotas, fell further to 979,000 tons in 1957 and 923,000 tons in 1958.

In 1959, however, the sugar output of Puerto Rico is heading sharply upward from the 1957 level, due to a variety of causes.

The first stimulus to higher sugar production is normal weather. As compared to the deficient rainfall levels from July, 1956, through April, 1958, the rainfall level for the growing period of the 1959 sugarcane crop has been slightly above normal.

In addition, during the fall of 1957 and the spring of 1958, substantial new plantings of cane were made. This means that the old, low-yielding cane stools were plowed up and newer, higher-yielding plantings were made.

Another trend in the industry which indicates higher output is the development of new, improved cane varieties. Since it requires a number of years to develop and test a new cane variety, only preliminary results are coming from this program. Excellent results are indicated by some of the new canes now in the preliminary testing stages, however.

Another step toward higher sugar production is the advance that is now being made toward mechanical equipment for harvesting cane. In the years since 1952, tremendous progress has been made. The cane is still cut by hand, but most of it is loaded mechanically. Hauling is done under conditions which greatly increase productivity. What is more, the industry is now starting research on a cane harvester which can both cut and load the cane.

There is no denying that during the past six to eight years the industry has suffered seriously in the matter of earnings. This has been due in large part to two important factors. The first has been the continued

mounting of all elements of production costs—wage rates, taxes, materials, and the like—while the price of sugar has not gone up.

The second factor depressing industry earnings has been the reduced volume of production. By present indications, however, the 1959 production is indicated at near the quota level. In addition, the island has the opportunity of rebuilding a normal carryover inventory to replace that which was wiped out by the disastrous crops of 1957 and 1958. Over and above this, sugar consumption is constantly increasing.

On the basis of population projections, U. S. sugar consumption is indicated at about 10 million tons in 1965. This indicates the opportunity the sugar industry of Puerto Rico has to restore its production to and above the 1952 level of about 1,360,000 tons.

#### THOMAS W. DELZELL

Chairman of the Board and Chief Executive Officer, Portland General Electric Company

The year closing has been one of progress for Portland General Electric Company—two dams were completed and another big one planned.

The utility in the past year placed 198,000 kilowatts

of new electricity "on line"—marking a construction investment of some \$49,000,000—and for the future announced its intentions to build the largest dam ever constructed within the confines of Oregon. The proposed \$71,000,000 Round Butte project on the Deschutes River in central Oregon is a symbol of our company's faith in Oregon's future. And the Pelton and North Fork hydroelectric projects, completed in 1958, are standards of PGE's recent construction progress.

We share the faith which all Ore-

gon electric utilities have in the future growth and development of our state. This confidence is exem-

plified by the tremendous construction program which these utilities have undertaken.

Thomas W. Delzell

In addition to hydro projects already completed or underway, PGE and other Oregon utility companies have contracted for large blocks of power from projects such as Priest Rapids dam and Rocky Reach dam, being built in Washington by local public agencies. These contractual commitments are added proof that Oregon utilities believe the state's economy will continue its forward progress.

The so-called "recession" in Oregon did not have a noticeably serious effect on the utility business. Power use remained high and was 4% to 5% greater than in 1957. We believe it is sound to predict continued increases in electric energy consumption by all customers in 1959. With that in mind, we will spend some \$13,000,-000 on expansion and addition to our transmission and distribution system during the year.

Line construction planned by PGE includes 48 miles of transmission conductors and 510 miles of distribution lines. During 1958, the utility constructed 111 miles of transmission cables and 415 miles of distribution lines.

At the year's end, PGE registered 245,000 customers who used 3.6 billion kilowatt-hours of electricity.

Construction expenditures for 1958 totaled \$21,900,000. Completion of North Fork and Pelton hydro projects took \$10,700,000 of the total, with the rest going for transmission and distribution construction.

Continued on page 46

# Something to remember...



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BOSTON, Mass. — Bruce S.

Whitston is now affiliated with
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31 Milk Street.

#### Joins Keizer Staff

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — David P.

Mittell has joined the staff of
Keizer & Co., Inc., 19 Congress
Street.

#### With Keller Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Sheldon A.

Freeman is now connected with
Keller & Co., 31 State Street.

#### Lee Higginson Adds

(Special to THE PINANCIAL CHRONICLE)
BOSTON, Mass. — Richard L.
Dowling has been added to the staff of Lee Higginson Corporation, 50 Federal Street.

# MUNICIPAL TAX AND REVENUE BONDS

Inquiries Invited

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Walter, Woody & Heimerdinger

403 Dixie Terminal, Cincinnati MAin 1-5071

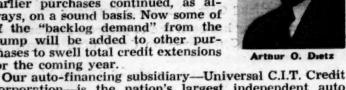
#### ARTHUR O. DIETZ

President, C. I. T. Financial Corporation

U.S. consumers will use a record \$42.5 billion of instalment credit in 1959, including some \$16.2 billion for automobile purchases. This amount will top 1957's record extensions of credit by a small margin.

Rapid recovery from the recession and the surge of the economy toward the peaks of the 1960's will make 1959 a very good year for consumers and business.

Although many persons deferred purchases during the 1957-58 slump and there was some job dislocation, there was never any doubt as to the judgment and integrity of the average time buyer and repayment for earlier purchases continued, as always, on a sound basis. Now some of of the "backlog demand" from the slump will be added to other purchases to swell total credit extensions for the coming year.



Corporation—is the nation's largest independent auto finance company, and we look for at least 5.5 million new car sales, with the probability that the final figure will be considerably higher. Studies conducted by the C.I.T. department of eco-

nomics indicate that consumers will use \$16.2 billion of instalment credit for automobile purchases in 1959, up \$2 billion over 1958. Total instalment credit, at \$42.5 billion, will be some \$3.1 billion higher than the 1958 total.

Other durable goods—major appliances and the like—will account for some \$11.7 billion of credit extensions and repair and modernization loans probably will total about \$1.6 billion. Personal loans probably will total some \$13 billion.

Repayments of instalment debt during 1959 for earlier purchases will amount to about \$40 billion. Total instalment credit outstanding at the end of 1959 will amount to some \$36 billion, compared with an estimated \$33.4 billion at the end of 1958.

Consumer instalment credit volume will continue to increase because most families now use it as the "normal" way to buy automobiles and other valuable durables and also its use is extending into many new

The highest annual total of instalment credit extensions up to this time was \$42.4 billion in 1957. The total was \$40.1 billion in 1956 and \$39 billion in 1955.

Rising dollar amounts of consumer instalment credit are to be expected as increasing numbers of persons turn to time buying as a sound means of acquiring assets and services. Large amounts of credit outstandings are no cause for concern as long as credit is soundly extended and wisely used.

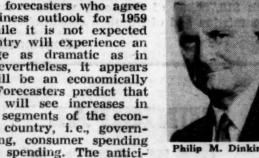
Fifty years of experience in sales financing has proved at C.I.T. that the U.S. consumer is an excellent credit manager and will continue to discharge his responsibilities promptly, as he has in the past.

#### P. M. DINKINS

#### President, General Aniline & Film Corporation

Nineteen-fifty-eight sales of General Aniline will surpass the all-time high sales record established in 1957. Earnings were somewhat restricted in 1958 because of increased operating and non-recurring costs. We are

looking forward to 1959 with a great deal of optimism. This is based on our own estimates as well as the general consensus of the economists and business forecasters who agree that the business outlook for 1959 is good. While it is not expected that the country will experience an upward surge as dramatic as in 1955-1956; nevertheless, it appears that 1959 will be an economically solid year. Forecasters predict that in 1959 we will see increases in three major segments of the economy of the country, i.e., government spending, consumer spending and business spending. The anticinated increase in business spending



is attributed to the replenishing of liquidated inventories as well as construction of new plants and equipment. Although we are optimistic about 1959, we recognize that the coming year will be one which will test our organization, but the same will be true of our competitors. The present buyer's market is expected to become more competitive because of the increased production capacity which resulted from heavy investment in new plants and equipment in the past few years. We plan to meet the competitive challenge, however, with new and better products and by greater efficiency in

While our Dyestuff and Chemical Division should benefit because of improved economic conditions of the country, it is aware that competition will be keener in 1959. In anticipation of this the Division has reorcanized its marketing and sales departments and its echnical service organization. The Division will have in operation for the entire year new manufacturing facilities, including an ethylene oxide plant, which are expected to result in improved costs.

The photographic industry should benefit by the ex-

pected improvement in all three major segments of the economy of the country. Our Ansco Division plans to capture a share of this increased spending power by instituting more intensive selling efforts coupled with the marketing of new photographic products, and improving its present product line.

Our Ozalid Division, which is a leader in the field of reproduction machines and sensitized papers, will be better equipped in 1959 to handle the expected increase in government and business spending. With new plants to manufacture reproduction machines, sensitized papers and new and improved products, Ozalid expects not only to maintain its position in the field but also

improve its operating costs.
On the whole, 1959 for General Aniline should be a substantially better year than 1958.

#### GEORGE S. DIVELY

#### Chairman and President, Harris-Intertype Corporation

During 1958 the economy experienced the deepest, but possibly the shortest, recession of the postwar period. Continued improvement is expected throughout 1959, with the stimulus during the first half of the year com-

ing largely from the consumer. During the latter part of the year, the capital equipment recovery should provide additional impetus.

The 1958 recession, however, takes on somewhat broader significance, in my opinion, than its two postwar predecessors. In general, it marked the end of the period of war-induced shortages and the beginning of a more highly competitive economy. In the period ahead it will probably be harder to make profits and easier to make costly mistakes. The companies that will move forward will be primarily those that have geared their products and organization for a "hard-sell" future.



G. S. Dively

#### Printing, Publishing and Broadcasting

Looking at printing, publishing and broadcasting—the industries served by Harris-Intertype-the 1959 picture is promising. Advertising is the main source of revenue for these industries, and during 1958 total advertising outlays dipped only about 2%, compared to a drop of around 10% for the over-all economy. Advertising should more than gain this back as general business bolsters its advertising and sales promotion expenditures to meet increasing competitiveness. There should be a corresponding pick-up in volume and profits for well-prepared printers, publishers and broadcasters.

#### Harris-Intertype

As for Harris-Intertype, the outlook appears good. New and improved products recently introduced have been well received by customers. Increased interest is being shown in high-speed magazine presses, in four, five and six-color sheet-fed offset presses, in automated bindery equipment, in improved presensitized photooffset plates and in advanced designs of commercial broadcasting equipment. The company's enlarged research and development program should provide further advances in 1959.

To handle a growing volume of business (\$58 million last fiscal year), Harris-Intertype's organization structure is being built around the concept of centralized policy and staff services, and decentralized operations. This structure appears well suited to more competitive times. It retains a closeness and sensitivity to customer requirements at the operating level, and at the same time provides the over-all research, financial and management strengths of a large corporation. Harris-Intertype's operating units are: Harris - Seybold Division, Cleveland and Dayton; Intertype Division, Brooklyn; The Cottrell Company, Westerly, R. I.; Macey Company, Cleveland; Lithoplate, Inc., Los Angeles; Gates Radio Company, Quincy, Ill.; and the International Division, including Intertype Limited, Slough, England and Intertype Setzmaschinen, West Berlin, Germany.

#### CRIS DOBBINS

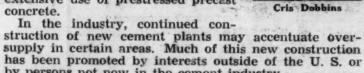
#### President, Ideal Cement Company

Early in 1958 the nation seemed to be undergoing a minor recession which coupled with unfavorable weather over practically the entire nation gave the cement industry a slow start during the first three months. The

second quarter showed little improvement, but in early summer shipments began to improve and continued at a good level through the fall and early winter.

We feel when all of the statistics are in and compiled, total shipments for 1958 will equal or exceed the total of 1956, the industry's best year.

Some of the significant developments during 1958 were: the gradual improvement of housing starts; the increased rate of construction on the Interstate Highway System; and the continuing trend towards more extensive use of prestressed precast



by persons not now in the cement industry.

The importation of foreign cement appears to be a

minor but disturbing factor in some areas. It is unlikely that shipments of cement into the United States can be profitable to foreign producers except as the producers and their governments may be willing to Ignore costs in order to secure dollar exchange.

There have been no reductions in labor rates and none are in sight. Costs of other items used by the industry are likewise generally on a gradually increasing plane and this pattern of inflation can only be offset either by higher prices or by further mechanization which, of course, requires large capital outlay.

The prospects for 1959 are that cement use may be greater than for the current year. The Interstate Highway Program should reach a level of construction toward which it has been moving since it was inaugurated in 1956 and this level should continue for several years. In addition to the highway program, the general upturn in the construction industry could result in the use of 5% to 10% more cement in continental United States than in 1958.

#### R. P. DOHERTY

Chairman of the Board, The National Bank of Commerce, Houston, Texas

Continuance of moderate economic expansion for the nation this year should result in one of the most favorable earnings performances for the banking system as a whole in over a decade. On the other hand, because;

a general business recovery does not progress uniformly in all industries and in all geographic regions, earnings performances of individual banks will continue to vary widely.

There are at least two fundamental reasons for expecting bank financial statements on the whole to reflect improvement in 1959 over 1958.

First, Federal Reserve anti-recession monetary actions promoted further expansion of the earningasset base of the banking system last year. This asset expansion enabled many banks to maintain 1958 earnings at or near 1957 levels, despite precipitous declines in money market rates during the first half of the



year and in the face of further increases in operating expense !

Second, if the general economic recovery continues to progress as anticipated, money rates can be expected to increase gradually through the year after allowances for seasonal variations. Although recent evidence suggests that the momentum of the recovery may be slow-ing, no serious faltering or prolonged levelling seems to be in store this year.

Money rates responded upward rather promptly to Federal Reserve actions at mid-year in 1958. If recovery moves faster than is now expected, additional Federal Reserve pressures on member bank reserves can be expected to emerge. Thus, money rates are likely to increase moderately in 1959.

Bank stock analysts have already begun to cite possibilities of increases in cash dividends on bank stocks this year. Although some increases can be expected by individual banks, it is probable that a significant part of increased earnings will be utilized in the form of permanent additions to capital funds. In any event, investors in bank stocks can continue to view their holdings as "growth" type investments.

Loan demands, which did not rebound quite as quickly

as some experts anticipated late in 1958, will follow the economic recovery upward this year. A marked inflow of savings to banks, which increased the costs of doing business last year, will probably be drawn down somewhat by "temporary" savers as consumer spending on durable goods increases moderately this year.

Bank earnings performances are once again demonstrating a unique characteristic in an economic system placing heavy reliance on flexible monetary policies. This characteristic can be summarized as follows: favorable growth in good times and reasonable stability in recessionary periods.

#### FREDERIC G. DONNER Chairman, General Motors Corp.

The economic horizon is considerably brighter now than it was at this time a year ago or at any time within the past year. The recovery from the low point of the recession last April has now reached the point where

we can be confident that the economic charts are showing, not a wiggle, but a definite and healthy upward trend.

The automobile industry has been experiencing the effects of labor difficulties incident to the negotiation of new agreements with the unions representing our employes. During most of the fourth quarter of 1958 dealer stocks of new cars were inadequate in the light of the enthusiastic customer response to our 1959 models. This, however, is a small price to pay for arriving at agreements that are reasonable and fair and that should represent a constructive contribution to economic stabil-



ity during 1959 and the succeeding two years they will remain in effect. The remarkably rapid recovery from the 1957-58 re-

LETTER TO THE EDITOR:

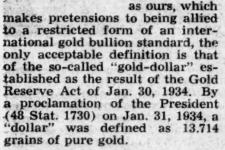
# Mr. Johannsen's Letter on Gold **Hits Higher Price Contradictions**

Mr. Johannsen maintains advocates of dollar devaluation place themselves in a contradictory position. He writes there is no more sense in redefining the dollar to take into account money-credit dilution than there would be in redefining milk to take into account watered milk supply. He asks when would they cease redefining milk—when it contains 99.9% water. Recommends ceasing the issuance of and retiring Federal Reserve Notes and/or Joan-created deposits that impair the financial quality of dollar rather than the opposite method of devaluation.

Recent discussions on the "price"

rounding monetary problems.

Part of the confusion is probably due to the fact silver as well as gold. But in an economy



To most people the word "dollar" probably conjures up some nebulous concept of value, but actually under the gold standard a

CLEVELAND

Editor, Commercial and Financial dollar is just a certain weight of gold.

As there are 486 grains in a of gold, both in the Commercial Troy ounce, if you divide 480. and Financial Chronicle, as well grains by 13.714 grains per dollar, as other media, are indicative of you arrive at 35 dollars. One the semantic might quite logically say, thereconfusion sur- fore, that \$35 is a synonym for an ounce of gold. if the price of a pair of shoes is \$35, that is equivalent to saying that the price of a pair of shoes is an ounce of gold. That being the case, when you say the "price" of an ounce of gold is \$35, you are saying the price of that the government has gold. This is mere tautology.

defined the word "dollar" is money it has no price, for in a in terms of money economy, the definition of silver as well "price" is the ratio at which goods and services are exchanged for money. Of course, if gold is not money, then it has a price in terms of whatever is money.

If gold is money, then the so-called "price" of gold occurs as the result of the definition of the word "dollar." Any change in the "price" of gold actually means a re-definition of the word "dollar."

But the dollar was re-defined in 1934. Prior to that time the dollar was 23.22 grains of pure gold. This re-definition served no useful purpose, though it meant that government and gold pro-ducers had a large inventory 'profit" on their gold holdings.

Many of those who urge a

**NEW YORK** 

higher "price" for gold find themselves in a contradictory position. On the one hand, they come into the field of monetary disputation and claim gold is the only sound money. On the other hand, they claim the "price" of gold is too low. Well, if gold has a price, it is not money, and if it's not money, it's just another commodity. And it certainly is no function of the government to fix the prices of commodities.

If they recognize that by urging a higher "price," they are actually advocating the reduction in the weight of gold in a dollar, they must support such advocacy with cogent reasons why the monetary unit's weight should be reduced.

If the weight in a dollar should be reduced, why not reduce the weight in an avoirdupois pound from 16 ounces to 10 ounces? Some tenable arguments might be adduced for ten ounces, particularly from the viewpoint of ease of calculation, but the 16-ounce pound has been with us for many, many years. And yet, although the weight of gold in the dollar was changed only 25 years ago, pleas are now being heard for changing it again. And why have they waited for 25 years? Why not every ten years, five years, or every hour on the hour? One is just as absurd as the other.

If their argument is that the realities of the situation must be faced and that as our monetary structure has been diluted through the issuance of i. o. u.'s, in the form of Federal Reserve notes and loan-created demand deposits, and that it therefore becomes necessary to define the dollar to take this dilution into account, may one ask them a question? What would their suggestion be in the case of the dilution of the milk supply of the nation through the addition of water by some governmental agency? Would they recommend that "milk" be re-defined to take this dilution into account? And should it be continually re-defined even if a quart of milk eventually contains 99.9% water? When do they advocate stopping the re-definition of "milk"—when do they advocate stopping the re-definition of

Would it not be wiser instead of re-defining "milk" to stop its dilution and remove as much water as possible? If that is so, would it not also be wiser instead of re-defining dollar to stop the dilution by ceasing the issuance of Federal Reserve notes and/or loan-created demand deposits, and retiring as many of them as pos-

If you cannot improve the nutritive quality of milk by re-defining it, how can you improve the financial quality of the dollar by re-defining it?

O. B. JOHANNSEN

Roselle Park, N. J. Dec. 26, 1958.

#### With Sterling Assoc.

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CHARLOTTE, N. C .- James A. Goforth has joined the staff of Sterling Associates, Inc., Johnston Building.

#### E. F. Hinkle Adds

(Special to THE PINANCIAL CHRONICLE) PORTLAND, Ore.-Laurence H. Lau has been added to the staff of E. F. Hinkle & Co., Inc.,

# Joins May & Co.

Equitable Building.

(Special to THE FINANCIAL CHRONICLE) PORTLAND, Ore. - George E. Barkdoll has joined the staff of May & Co., 618 Southwest Yamhill Street.

#### A. C. Etheridge Opens

SHREVEPORT, La. - Arthur C. Etheridge is engaging in a securities business from offices at 3109 Alexander.

# There Must Be a Limit!

"It is only natural that most of the dollar credits which have been made available in Latin America have been loans repayable either from tax revenues or from the earnings of the enterprises meriting the loans. Beyond this, however, many leaders in Latin America point out the need for 'social development': they contend that the lack of housing constitutes their most serious single social problem. They hope a method can be found to make credit available for home, hospital, and related construction.

"I feel that we should be prepared to assist other countries in improving their health and sanitation facilities. Loans for these purposes have been available in the past and should continue to be. The problem of housing finance is, however, much more difficult.

"I suggest, therefore, that the nations of Latin America should not look to the United States or to international agencies for significant financial assistance in housing but should pursue vigorously the path of economic development and inflation control in order to enlarge the national product and available savings, and thus widen the margin that can be devoted to improvement of housing."-Milton S. Eisenhower.

This seems to us to be at least the beginning of wisdom. After all, a loan is a loan and repayment is naturally expected, all too many gifts (or should we say bribes?) in recent years have been labeled loans.

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cession should be a source of great satisfaction to all Americans. It is indicative of the fundamental strength of our economy. It should inspire confidence in the

Confidence is a most important ingredient in an economy geared as is ours for volume production to meet the needs of a mass market. When consumers have confidence, they buy. When their confidence falters, they curtail buying. The automobile industry is always severely affected by recession because people can postpone new car purchases without seriously impairing their ability to have, for a time at least, reasonably usable transportation:

On the other hand, when the trend is up and the outlook is bright, confidence revives and sales of automobiles, as well as of other durable goods, rise rapidly. This would seem to be the situation that exists today. Confidence is reviving and consumers are spending. With a proper selling effort 1959 should be a year of substantially increased volume in our industry. And as reviving confidence produces similar effects in other durable goods industries, we can anticipate further improvement in the level of employment and industrial activity generally.

## DONALD W. DOUGLAS, JR.

#### President, Douglas Aircraft Company, Inc.

The outlook for 1959 in the aircraft and missile industry must be qualified in view of certain uncontrollable factors inherent in the manufacture of the vehicles which we produce. Existing firm orders for the coming year are known and our delivery sched-

ules are laid down far in advance. But the increasing emphasis on missiles, with a relatively short production flow time offers the possibility of new orders which could have a direct effect on industry income during the year.

Because the industry produces primarily military vehicles, any prediction made today assumes no radical change in the international sit-

During the year, there will certainly be a gradual acceleration in the delivery rate of commercial transports which will be almost enD. W. Douglas, Jr. tirely turbine powered. The last half

of the year will see a vastly increased rate of output. There are now on order about 900 commercial turbinepowered transports. The new transports will be considerably more costly

than were their predecessors but their income potential makes them a desirable purchase. Fewer of the big and faster units will be required to generate the seat-miles which we feel traffic expectations will require. In addition, fast turn-arounds and increased utilization will contribute to greater over-all efficiency.

It is our expectation that transports produced this year and next will have a service life of more than ten years. We do not forsee any marked increase in the 600 mileper-hour performances now programmed within the next ten years. It would appear that government expenditures for missiles, space vehicles, and supporting components will increase during the year. Known Department of Defense estimates support this prediction. We do not believe that there will be any marked increase in defense purchases other than those already laid down, always barring a disruption of the international political climate.

There will be strict fiscal control of not only total military expenditures but the rate of expenditure. We recognize that any threat of excess spending may necessitate cutbacks or stretch-outs.

In summary, we feel that employment will be steady at about 750,000, with a slight upturn anticipated in the last half of the year. After June 30 there will probably be an appreciable acceleration in the nation's missiles and space age production.

#### ROGER DRACKETT

#### President, The Drackett Company

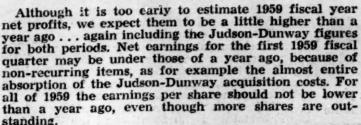
Sales of our company in the current fiscal year ended September 30, 1959, are expected to be above those of the preceding fiscal year. Dollar volume in the first quarter ended December 31, 1958, will be about three

per cent above the unusual first 1958 fiscal quarter when sales were contra-seasonal as a result of the in-troduction of Blue Mist, a new product. Both comparative periods will reflect sales of Judson-Dunway Corporation, acquired October 31,

Improvement in the over-all American economy will be reflected in our rising sales. Especially will this be true of our plastics division, Calmar and the Maclin Company which, like all chemical and allied industries, will benefit directly from expanded sales of the many industries that buy their products. Our drain cleaning and window cleaning

products are more directly responsive to consumer influences, like increased consumer spending, the rise in the new home building-consequent to larger new family formations—and the ever accelerating public desire for greater cleanliness and health.

Roger Drackett



Like some others we do not look for a boom year in 1959, rather we expect one of continued general recovery. Our confidence perhaps stems from our 1958 performance when we had the largest sales and net profits in our 43 year history. Excluding the effects of our soy bean operations, which were sold July 1, 1957, Drackett for 23 successive years has had year to year gains in sales and profits on all its operations. From calendar 1935 through fiscal 1958 our sales and profits show gains of 16 times. Net sales in 1935 were \$1,432,400 against fiscal 1958 sales of \$19,498,127. Net profit was \$105,171 and \$1,534,375 respectively for the two periods.

We shall be able to handle increased production, consequent to larger sales, readily because like the chemical industry generally-47% of its plants are less than eight years old—our plants, equipment, and machinery are new, efficient, and relatively low-cost in operation. Our plants are almost completely newly equipped in the last

Continued expenditures for the latest equipment and machinery will be made in 1959 as we plan further plant decentralization to reduce our transportation costs, and thereby hold down our prices. We initiated our decentralization policy in 1953 with the opening of the San Leandro, California plant. Last November we began operating our newly constructed plant at East Stroudsburg, Pennsylvania. Shortly we will open a new manufacturing plant in Canada. Other plants at new locations may be announced in the coming months. These will be additional to such plants as we may acquire through purchases of other firms. We are negotiating and considering acquisitions of companies whose products will fit into our manufacturing and selling patterns.

Within the last year our sales force has been doubled. Our advertising expenditures meanwhile have increased by 20%. In the meantime, we have market tested a new economy package and introduced a pour-spout package of (Drano) our drain cleaner. We have introduced a new and improved formula for (Windex) our window cleaner. Our copper cleanser (Twinkle) has progressed vigorously. All of these products rank either first or second in their respective field, and we plan to use every available means of advertising, merchandising and promotion to maintain and improve their industry positions. As a result of the Judson-Dunway acquisition we added several product lines, most important of which are (Vanish) a bowl cleaner, (Delete) a stain remover for sinks and bathtubs, and (Expello) a moth repellant.

Although Maclin Company, maker of thermoplastic molding compounds, and the Calmar division, producer of plastic sprayers and dispensers, operated at record high levels in fiscal 1958 we expect their sales this year will push them to new production peaks, therefore we plan to add to their facilities and to install more new high-speed equipment and machinery. We are not basic producers of resins. We use less than ten per cent of the plastic specialties produced by the Calmar division, which is beneftting from the growing use of plastic dispensers for a wide variety of liquid and semi-liquid products. Our position in this highly competitive business will be helped by the introduction of new basic patentable features in some Calmar products.

Inventories, unlike many chemical companies, have not been a problem to Drackett, because we gear our production to immediate sales, a practice that will be furthered by additional decentralization in 1959.

Research and development are being stepped up this year. We are readying for market testing several new products with promising potentials. Present plans call for concentrating research on household products in Cincinnati and on plastic specialties in Los Angeles.

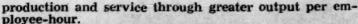
#### SHERMAN DRAWDY

#### President, Georgia Railroad Bank & Trust Company, Augusta, Georgia

Banking, like any other basic business activity of the American economy, views the future from two perspectives. First, there is the immediate future, the financial prospects for the year ahead. Second, there is the long look ahead, the analysis of trends that will crystallize in the next decade or two.

From the second perspective, it appears to the writer that two outstanding characteristics of the next two decades are already well under development. These are population and automation. These two developments are interrelated, especially from the banker's viewpoint. More population, means more loan activity, more accounts, and more clearings. It means that banks must be prepared at some point in the not-toodistant future to either add drastically to their labor force and living

quarters or to employ technical improvements to speed up and simplify paper processing. This latter alternative, under the general heading of automation, appears to be the most logical solution. Through it banking can achieve what other industries are also planning to achieve; a higher standard of



Vo

This is not to say that banks must be prepared to sacrifice personal contact for an impersonal machine operation. Automation is not an end in itself but a means to free more of the staff for public contact. The prime commodity offered by banks will always be service, and the expanding future, with its increase in population and industrial and business activity, will continually require more and better financial service.

Our own organization, the Georgia Railroad Bank & Trust Company, observed in 1958 its 125th Anniversary. These years were spent for the most part in service to a section of the Southeast which was primarily agricultural. However, during the past few years the dawn of an industrial era has become apparent, and now events are occurring almost daily which point to a high degree of industrialization in the section. By the time our 150th Anniversary is observed this trend should have gone far indeed. I believe our experience is typical of that of many sections of the country. Industry grows and spreads as population and standards of living and production increase. Banks in these areas must be prepared not only to follow, but to spearhead this trend.

From the short-term viewpoint, the look ahead into

the year 1959, one characteristic seems to be outstanding. I believe that 1959 will be a year of slow, steady growth, with a steady upgrade rather than a series of peaks and valleys. It will be another good year in a long succession of good years, past and future, the cumulative effect of which will be a tremendous long-term expansion. I feel that it is the banker's duty now to set his sights on this ultimate expansion rather than on any temporary short-term boom or recession. The forces making for this ultimate growth will prove too strong to be deterred by any ephemeral dislocation of the economy.

#### J. RUSSELL DUNCAN

#### President, Minneapolis-Moline Company

Present prospects for general business in 1959 are good, and farm equipment manufacturing will prove no exception to the general trend. As a matter of fact, I personally believe that 1959 will be one of the best years

for the farm equipment industry.

J. Russell Duncan

With the expectation that many acreage planting restrictions will be removed in the coming year, there will be an increase in employment on farms which in turn will certainly boost the need for new cost-reducing farm machinery. The technological improvements in today's tractors and farm machines will enable farmers to do vastly more work on the expanded acreage they will be planting.
And the farmer should have more

cash in his hands for improvements, including the purchase of farm machinery, as the new year gets under way, because of the over-

whelming production indicated by crop reports of 1958. Higher volume should more than make up for somewhat lower unit prices received by the farmer for his crops.

Since the business of farming is one of the most important elements in the total economy, accounting for an annual gross income of \$35 billion, it offers our farm equipment manufacturing industry a really bright future. Our market is bursting with dynamic progress, I am happy to say.

In summary, as I see it, the general business outlook is very favorable for 1959. Business climate is much more favorable than it has been for a long time. Builtin reserves of economic strength are with us, such as social security, unemployment benefits and pension trust funds. Our unemployment benefits tend to offset the bad effect of continuing unemployment. Government expenditures will continue high. Total farm income will increase. The Gross National Product will continue to climb.

Nineteen-fifty-nine should be a good year to be in business.

#### BYRON DUNN

#### President, National Bank of Commerce, Lincoln, Neb.

Thanks to our large crops this past summer, the outlook for our Midwest is good. We look forward to servicing out-of-state corporations. We have cheap electric power, plenty of labor, good transportation by rail and

by air; in fact, we have more air line stops planned for Nebraska than any other state. All these factors will permit us to serve corporations that wish to enlarge their operations and reduce their costs.

Loans are strong in Nebraska banks with a lot of commodity loans. There is a gradual increase in live-stock which produces loans. All active banks in Nebraska are getting enough loans to make their operations profitable.

There is one thing that I think we as cities, states and Nation are very lax on—and that is getting information to our people. I am talking about industry and professional



business. We all know that labor and socialism hires professional men and women to tell their story through the press and over the air, and it is my opinion that if we aren't to be swallowed up by labor and socialism, we are going to have to organize and tell our story on the American way of life. The general public needs to

understand the unselfish actions taken by many business and professional men in their efforts to produce a better life for themselves and their families and people around them. This is a glowing story, one that will interest the public, but the story needs to be put into print and on the air. Newspapers, radio, TV, and magazines such as The Commercial and Financial Chronicle will tell this story if it is made available to them.

This is one of the goals we look forward to helping with this coming year of 1959. It's easy to sit back and read the outlook from the different sections of the country, and do nothing! I hope those reading the articles that appear will take the advice of these men and your editorial comments and join in a united effort towards a better American Way of Life!

#### RAFAEL DURAND

Executive Director, Economic Development Administration, Continental Operations Branch, Commonwealth of Puerto Rico

Puerto Rico's long-term economic stability was put to the test and not found wanting during 1958.

Despite a recession that put a dent in the U.S. economy, manufacturers continued to expand to Puerto Rico

in near record numbers during the year. A total of 127 new Stateside companies decided to establish themselves in the island, only two short of the record 129 set in the boom year 1957.

Overall, almost all sectors of Puerto Rico's economy made impressive gains and our economists predict even greater growth during the coming year. Puerto Rico showed increases in total income, agricultural and industrial output, and a record year for tourism and construction. We achieved important gains in private investment, external trade and in the development of new facilities in wholesaling and retailing.

According to the Government's Planning Board, the island's net income soared to \$1,100,000,000—an increase of 7% over the previous year; while per capita income rose to \$470 from the 1957 level of \$440. Particularly striking was the increase in new investments which reached \$274 million, up \$18 million. The largest share of these investments (about \$188 million) went to industrial plants and equipment promoted by the Economic Development Administration.

One statistic that perhaps best illustrates the increased efficiency on the part of our Puerto Rican workers is the net income gain from manufacturing which jumped 10% to \$230 million during the year. This, of course, is a new high. Two industries that played a key role in this development were metalworking and machinery production which showed an 18% output increase.

The metalworking and machinery industries also contributed the biggest share of expansions on the island, mostly due to an after tax profit ratio three times the average of their U. S. counterparts.

The 127 new "Bootstrap" plants promoted represent 7,650 new jobs plus increased diversification for Puerto Rico's growing industrial complex. A large number of the U.S. affiliated plants which our office assisted in expanding to Puerto Rico are Blue Chips. Among these are Star Kist, Nebraska Consolidated Mills, Allied Paper and International Shoe.

An interesting aspect of how one single plant is helping our industrialization program is the chain reaction spurred by the establishment of Nebraska Consolidated Mills, a flour and feed mill. This new enterprise—not yet completed—is sparking a cycle of new industries. For instance, the plant will produce for Puerto Rico's growing cattle and dairy industry; it will supply and buy from breweries; sell to a new meat packing plant and to a tuna cannery on the island's south shore. Nebraska Mills is also credited with helping to promote a burlap bag factory; it will give a boost to agriculture by buying up

sugar and perhaps sugar cane bagasse and also use up soybean pulp from a newly built factory. The soybean plant, by the way, will in turn provide the oil for the tuna cannery. Nebraska Consolidated Mills will also prove to be a more economical source of flour and corn meal as well as animal feed. And further, hog raising, poultry and poultry by-products stand to gain momentum for their development. Up to the present, Puerto Rico has been importing most of its meat products from the United States.

Although our program for industrial development slowed down in the first five months of 1958 due to the U. S. recession, by May, 1958 there was a definite upturn. October, 1958, was a record month with plants promoted reaching 38 during that month alone.

On several other counts Puerto Rico also enjoyed a good year. First, a three-year contract guaranteeing against a waterfront strike was signed in September. Small business got a boost from the establishment of the island's first commercial finance company with the help of James Talcott, Inc., world famous factoring firm. Electric power consumption increased by 20%, and decentralization of industry was successfully pursued, bringing new plants to remote areas and small towns on the island.

In the U.S. we expanded our industrial personnel facilities at our branch offices in Chicago and Los Angeles and set up a new office in Miami. Because of the island's proximity to Gulf ports, an increased number of inquiries from Southern manufacturers prompted us to open a new branch office. Our Miami office currently has a backlog of more than 120 inquiries from Southern industrialists.

In addition to industrial development another phase of Puerto Rico's "Operation Bootstrap" program also showed solid gains.

TOURISM— enjoyed one of its biggest years with the opening of three new resort hotels during 1958, representing a record investment of over \$25 million. The number of hotel rooms available increased by 50%.

Income from tourism reached \$39 million during 1957-1958 season. Through our Tourism office here in New York we arranged for additional cruise ship visits. The three new hotels opened were the 320-room San Juan Intercontinental built at a cost of \$7,500,000; Laurence Rockefeller's Dorado Beach Hotel and Country Club located 20 miles west of San Juan and the 300-room La Concha (The Seashell) which cost \$8,000,000.

Today, tourism is Puerto Rico's third most important industry. Last year it provided a \$31 million income for the island and we estimate that next year the figure will probably hit \$50 million. Perhaps most important in this field are the 20 new hotel projects in the works. Most prominent of these will be an 18-story Sheration hotel, the development of the entire east coast as a resort playground and the first branch of the world-famous Maxim's Restaurant of Paris. The Sheraton project is estimated to cost approximately \$10 million and will be located in San Juan.

Among other hotel projects promoted by EDA: the Hotel Corporation of America is planning to operate two hotels on the island, one a 350-room \$8 million project, the other a smaller \$3 million 176-room hotel. Others in the works include a 300-room resort to be built by the Overseas Hotel Corporation and 150-room oceanfront structure near San Juan's International Airport to be constructed by a group of Puerto Rican and Stateside investors. During the coming year we expect to have close to 250,000 visitors to the island, particularly with the possibility of jet service.

In 1958 while the U.S. underwent an economic slowdown Puerto Rico's economic development continued to move ahead. What then is in store for the island Commonwealth now that activity in the States has resumed?

For one thing, the island's economy moved into a calendar year 1959 at top speed. Industrialization appears certain to register its biggest year since the inception of "Operation Bootstrap" a decade ago. In the last six months a total of 75 U. S. firms have been promoted, and the momentum built up is not letting down. On the contrary, it is sweeping upward at a faster pace with the backlog of plants in the process of being established still mounting. By June 30, 1959 we expect to reach new highs in plants promoted; our estimate is 150 new plants and 9,000 new jobs. The fact that a substantial number of prospects negotiating for branch-plants are Blue Chips is evidence of Puerto Rico's long-range industrial stability.

The construction outlook surpasses our earlier expectations. Among the important industrial projects are a \$12 million expansion at the Caribbean Oil Refinery; the \$34 million Water Resources Authority's thermal electric plant; Consolidated Cigar's second plant to be built at a \$3 million cost; a \$3 million meat packing plant; a \$1 million tuna cannery and a sugar-cane bagasse processing plant estimated at \$1.5 million.

As Puerto Rico progresses new developments come into focus. Oil exploration should get under way for the first time in the coming year. A tentative estimate of costs for the tests to be conducted by a Texas oil firm is placed at \$4 million. Perhaps this is symbolic of Puerto Rico's progress. In a real sense oil has already been struck in the Commonwealth's economic development.

#### GEORGE S. ECCLES

President, First Security Bank of Utah, Salt Lake City, Utah

The business outlook for 1959 is generally excellent. It is not a boom year, as was 1955 following a year-long recession, but should be one of substantial growth. Increased production and trade which began in the last

few months of 1958 should continue throughout most of 1959. Production, sales and consumer incomes will increase substantially, while living costs should be relatively stable.

The major deterrent factor overshadowing 1959 is the threat of further inflation. The \$12 billion Federal deficit of this fiscal year is recognized as related to the recent recession, and has more or less been accepted. The real problem, however, is the budgetary prospect for the fiscal year beginning next July. There seems to be no logical excuse, even with large expenditures for defense, to warrant appropriations beginning in the coming fiscal year

beyond anticipated income. Sound fiscal policy and a possible substantial budgetary surplus are called for in periods of high economic levels which 1959 will bring. This is a major problem for Congress.

George S. Eccles

With increased output and trade, additional business credit is required. Firm or tight Federal Reserve mone-tary policies will permit some increases in the money supply compatible with output of goods and services. But, interest rates will continue high so long as the Federal Reserve authorities limit credit expansion as anticipated as the major tool in the fight against inflation. Except in home building, credit controls and tight money policies will not adversely affect most business plans.

Among the basic economic factors significant in the 1959 outlook are the following:

(1) Production of most nonferrous metals will increase from the low 1958 levels. Upwards of 9% increase in production and shipments of copper and aluminum are expected. Some improvements are also anticipated in lead and zinc due in part to construction and improved automobile outlook.

(2) Demand and orders for steel will increase up to 25% over those of 1958 with operating ratio averaging approximately 80% of capacity compared with the 60% of 1958. Increased demand for automobiles, machinery and construction are significant in the steel outlook.

(3) Building material demand will continue throughout most of 1959 at the high levels prevailing in the last six months of 1958. Cement and clay products output should increase by 3-5%. Lumber will increase up to 6% from the 1958 totals.

(4) Outlook for textiles and apparel are generally

Continued on page 50



Rafael Durand

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#### With Daniel F. Rice

(Special to THE FINANCIAL CHRONICLE) HICAGO, Ill.—Frank L. Phillips is now associated with Daniel F. Rice and Company, 141 West Jackson Boulevard, members of the Chicago and Midwest Stock Exchanges.

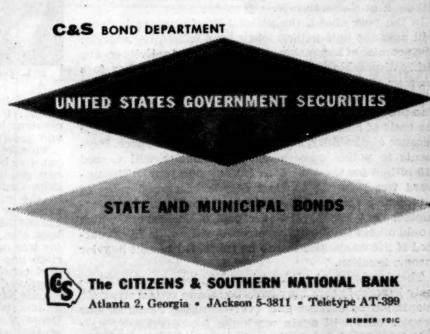
#### With Negley, Jens

(Special to THE PINANCIAL CHRONICLE)

PEORIA, Ill.-Edgar J. Reilly is now affiliated with Negley, Jens & Rowe, Jefferson Building members of the Midwest Stock Exchange. He was formerly local manager for Taussig. Day & Co.,

#### Hathaway Forms Co.

RICHMOND, Va. - Robert M. Hathaway is engaging in a securities business from offices at 8518 Julian Road under the firm name of Hathaway Investment Co. Mr. Hathaway was formerly with R.S. Dickson & Co., Inc., Mason-Hagan, Inc. and Thurston & Co.



good. Inventories have been reduced, production and

sales are expected to increase some 5%.

(6) Employment should increase by 1.5 million, unemployment decrease by at least one million. Increases in automation and newer production facilities added during the past few years mean increasing productivity considerably faster than total demand for labor. Labor problems and wage rates may become significant by mid-year. Specifically, the following items are of major signifi-

cance in the financial outlook for 1959: (1) Gross National Product for the entire year should

total \$470 billion, or 7.5% above 1958.

(2) Personal Income should reach an annual rate of approximately \$390 billion, an increase of 3.5% over 1958. (3) Industrial production will probably increase by almost 10% and approach the peak reached in December,

1956 of 147% of the 1947-49 average.

(4) Capital expenditures by industry will increase slightly from the 1958 levels. But, expenditures by govby local governments will raise the total above \$52 bil-lion.

(5) Residential construction will be hampered somewhat by tighter secondary mortgage markets, but outlook

still calls for one million dwelling units.

(6) Increase in savings is expected, especially at commercial banks and other institutions, but at a rate somewhat below that of 1958. Some increase in loans is expected in most major segments, commercial, mortgages and consumer finance.

All in all, 1959 will be a good year, but will present many problems. The main one being a fight to control

inflation.

#### BYRON K. ELLIOTT

#### President, John Hancock Mutual Life Insurance Co.

At the beginning of 1958, the national economy was receding sharply; at the end of the year, it was recovering both vigorously and broadly. In proper perspective, the recession of 1956-1958 is to

be regarded as a corrective adjustment in a growth period. The causes of the recession, which bottomed in the second quarter (after a decline of some 14% in the output of the nation's factories and mines) were implicit in growth and economic development since the War. Various

excesses required at least some degree of correction.

Recovery should continue without major interruption during the year ahead. Its ultimate goal is not only the reattainment of peak levels of operation previously reached, for capacity levels have risen meanwhile. But, given progress to date, it seems reasonable to expect that full recov-

ery may be approximately realized by the end of 1959. Four years ago, it was apparent that we were at the threshold of a \$400 billion economy in terms of gross national product or total expenditure on goods and services. That level was in fact attained in the third quarter of 1955. A year hence, we may be at the threshold of a

Byron K. Elliott

\$500 billion economy. Life insurance has experienced another outstanding year-it has again made several new records, despite somewhat lower levels of general business activity: total in force increased \$35 billion to \$493 billion at year-end, or approximately 8%; sales of Ordinary exceeded \$47 billion, surpassing the record high of 1957 by \$2 billion; reflecting growth in coverage, accumulated assets rose 5.8% to \$107 billion; and the earned rate of investment return (before income tax) increased from 3.75% to

In fact, the upward progress of life insurance in our country has had only one interruption since the end of the 19th Century, and that was both minor and brief. In periods of economic expansion, the increase of life insurance in force naturally accelerates; and in periods of lesser buoyancy, or even depression, it continues to grow.

ower rate

In the year ahead, the nation's life insurance in force will pass the half-trillion mark by a substantial margin. The promise of increasing general business activity means rising disposable income and employment, and therefore we may confidently expect the volume of both new Ordinary and new Group sales to exceed that of last year. The protection which life companies also provide against the costs of hospital and medical care, and loss of income because of disability, should continue to grow apace. Payments to policy owners and beneficiaries will exceed \$10 billion for the first time (in any one year). The upward trend during the last decade of earned rates of investment return (before taxes) should not be interrupted. But lowering of the cost of insurance-which would otherwise result therefrom-will not be fully realized if life companies are to be subjected to still heavier income taxation.

The development of American life insurance, particularly in recent years, may truly be said to reflect dynamic adaptation to diverse and ever-changing needs of our people. 1959 will again mark the introduction of new policies and plans, further simplification of contracts. and broadening of underwriting procedure and practice.

#### HON. ALLEN J. ELLENDER

U. S. Senator From Louisiana

It is still too early to predict the nature of and the outcome of agricultural legislation that will be considered during this Congress.

There is no doubt that some changes should be made

in existing laws. Some will be quite troublesome whereas others may be handled quite expeditiously. An example of the latter is Public Law 480, The Agricultural Trade Development and Assistance Act, which expires Dec. 31 of this year, and therefore, will have to be acted upon if the law is to be extended. This usually has strong bipartisan support and should present no real problem. Another piece of major legislation in this same category, which last year passed the Senate unanimously but died in the House, is the bill dealing with Industria! Uses of Agricultural Products. This legislation was well received and



Allen J. Ellender

will no doubt be considered early in the session. Legislation affecting the production and marketing of wheat will probably be the most troublesome. Widely differing program concerning this commodity have been proposed by national farm organization as well as by individuals. These will have to be studied carefully before any action is taken.

Additional problems will most assuredly be encountered in dealing with the Administration proposais. The President, in his message, indicated that he will recommend legislation aimed at "greater freedom for markets to reflect the wishes of producers and consumers," and indicated that past actions by the Congress "were appropriate in direction but did not go far enough." However, the exact nature of his recommendations will not be known until the Administration presents its specific

programs to the Congress. Last year a law was enacted dealing with corn and feed grains, cotton, rice, and wool. The principal opposition to the bill had to do with the corn and feed grains section while the provisions affecting the other commodities appeared to be reasonably acceptable. Although legislation concerning these commodities will likely. again be introduced, I personally feel that the Agricultural Act of 1958 should be given a chance to operate before any major changes are made. Further, I doubt that Congress will take any action to modify materially present laws affecting the production and marketing of cotton, rice, and wool.

In addition, I am sure that the Committee on Agriculture will have before it many additional bills affecting all phases of agriculture; particularly in the production and marketing of milk and dairy products. Some will propose completely new programs, while others will deal with minor amendments to existing law.

My personal feeling with respect to the law enacted last year will not preclude full and complete consideration of all legislation introduced during this session of Congress. In fact I feel that continuous and intensive study of the farm problem is mandatory. We must explore all new proposals fully for in them we may find a solution.

#### BAYARD L. ENGLAND President, Atlantic City Electric Company

Recently John E. Corette, President of Edison Electric Institute and President of Montana Power Company, summed up the encouraging influences and the stability and progress of the electric utility industry during 1958.

In his year-end report, Mr. Corette pointed out that while industrial production, as measured by the Federal Reserve Board, declined over 19 points, electric production more than held its own. He reported that generation by all components in the industry totaled 641 billion kwhrs, an increase of 10 billion kwhrs over 1957.

In many respects, what has oc- trends have not ve curred in the nation's electric production is being paralleled in the Southern New Jersey area served by

our company For example, we will add 132,000 kilowatts of generating capability to

our Southern New Jersey electric system during the next five years. During the same period, the company will spend \$95 million for new construction to provide electric service for expansion

B. L. England

and growth in the eight county service area. Twenty-seven million dollars of the company's expansion budget will be devoted to the construction of a new generating station at Beesleys Point in Upper Township, Cape May County. The first unit to be installed at the proposed plant will be a high-pressure steam generator and associated facilities capable of producing 132,000 kilowatts. Our company has already purchased land along the Great Egg Harbor and Tuckahoe Rivers for this new station. Bechtel Incorporation of San Francisco has been named Engineer of this project. We expect construction to start in 1960 and the plant will be scheduled for completion some time during 1963.

Last November, Atlantic City Electric Company added a new 86,000 KW generating unit at the company's Deepwater plant. The new unit raises the company's present capability in generation to 446,600 KW. This. new unit, which cost \$1212 million, took two years to

The company's electric system interchange capacity will be increased by approximately 60,000 kilowatts through a new transmission intertie with Philadelphia Electric Company, Public Service Electric and Gas Company and Atlantic City Electric Company. The new source of power will be completed in 1960 and will be in addition to its present intertie with Philadelphia Electric Company and other affiliates in the Pennsylvania-New Jersey Interconnection.

During 1958, 65 new industries and expansion of present industries were added to the company's lines. 5300 customers were added during the year bringing the total number of customers served by our company to 221,500. Gross revenues of the company increased 5.2% over the same period in 1957 reaching an all time high of \$35,-

In some respects, the eight county area of Southern New Jersey is out-pacing the state and nation in the use of electricity. Our residential use of electricity in the past 12 months increased 4.4%. Our average annual residential use reached an all time high of 3415 kilowatthours in 1958 compared with the nation average of 3385 kilowatthours.

Diversity of our service area seems to be one of the important factors of stability. The area embraces three distinct zones: the industrialized Delaware Valley, the 40 miles of world famous resorts on the New Jersey shore and between the two, a vast, rich agricultural section.

Mr. Corette, in his year-end report, pointed out that the investor-owned electric companies will pay approximately \$2 billion in taxes for 1958. Taxes are also an important factor in the operation of Atlantic City Electric Company. During 1958 the company's tax bill was \$6,600,000 of which \$2,900,000 went to the Federal Government and \$3,700,000 to state and local governments.

#### ROBERT W. ENGLEHART President, Parker Rust Proof Company

It seems to me that the indicators are definitely pointing to continuing upturn in 1959. Good news is



Robert W. Englehart

1957 or better.

coming in from the automobile, appliance and steel industries and to my way of thinking they tell the story. It may be, as some economists claim, that this does not necessarily herald a boom year in 1959. In fact, I shall not be surprised if many of the very optimistic reports for 1959 prove to be too much on the bright side. But I have no trouble predicting that while 1959 may not turn out to be the best, it certainly will not approach the worst, and that it will be considerably better than 1958.

In our field of metal treatment, we have no doubt that business in 1959 will be better than in 1958 and should be close to

#### RAY R. EPPERT President, Burroughs Corporation

The factors that influence economic forecasts seem to indicate a good business year in 1959. In the office equipment industry, with which I am associated, the prospects appear bright for better revenue than in 1958.

For business generally I believe we can expect the trend of Gross National Product, employment, sales and corporate profits to continue up-

The rate of business acceleration will depend on the direction of some as yet indefinite factors. Although most of the significant elements in the movement toward recovery are rising, all trends are not moving at at the same rate. For instance, productivity and personal income have continued to rise, even during the deepest period of the recession, but employment and consumer demand for durable goods has not kept pace.

It is also apparent that rising stabilized into a predictable pattern However, although fourth-quarter reports are not in, there is ample evidence that consumer spending has now begun to rise significantly, due in part to the strengthening automobile market and heavier holiday buying.

The conclusion seems to be that the economy is following the same general pattern of recovery common to other recent recessions. Historically, it is characteristic for cyclical upswings to begin rapidly and somewhat erratically, then settle into a more even pace after a few months. This seems to be the situation at the moment.

Although corporate profits in the third quarter came to within 9.2% of the record 1957 rate, industry leaders are in no mood to gamble, largely because of the thin margin between profits and production costs. Most businessmen consider paring costs as their best protection from a dangerously narrow profit margin. Third-quarter reports of smaller sales coupled with larger profits, in the face of rising wages, has borne this out

We expect the pre-occupation with problems of efficiency to have a noticeable effect in the office equipment industry. The cost-saving characteristics of good data processing equipment are in the foreground of efficiency programs, and intensive research and development at Burroughs is aimed at creating systems to implement them.

Burroughs Corporation has just completed its best sales year in history, in spite of the economic downturn. With business now in a more efficiency minded mood and in a stronger position to invest in new equipment,



Robert G. Fairburn

we anticipate an even greater sales volume in the year

#### H. C. ESTABROOK

President, Sealright-Oswego Falls Corporation

With several basic trends continuing strongly in favor of the packaging industry, 1959 should be another year of good growth for the industry, especially paper packaging, the field in which Sealright-Oswego Falls Corporation serves.

The population growth and the resulting increase in the sale of packaged food including milk and dairy products; self-service supermarket retailing; the pre-packaging of foods of all kinds including complete meals in paper packages with no dishes to wash, and other packag-ing developments in the competitive race to save the housewife from drudgery; the TV snack; and the frozen foods industry and freezer space in stores and homes - these factors, and more, have brought vast new opportunities to the packaging industry and have caused the remarkable and fast-moving develop-



C. Estabrook

ments that we see in packages competing for attention

Because of the work-saving and sanitary advantages of the single service package as well as the advantages that apply in particular to paper, paper packaging has registered important gains from these trends and has been one of the fastest growing divisions of the paper industry. Paper milk cartons for packaging milk represent one of the larger segments of the industry and have shared in its growth. Over 50% of packaged milk is now packaged in paper and consists of some 13 billion units per year. Each year shows some increase over the one before in favor of paper containers.

A considerable part of the gains registered in paper packaging is due to the new coatings developed for application to the paper. Plastic coating for instance provides paper containers free of paper taste, non-absorbent to liquid and moist foods and more resistant to leakage. This has made paper packaging available to many types of food and non-food products that could not use paper before. New developments in the way of improved coatings are in the making at the present time which will

add even more products to this list in 1959. Sealright-Oswego Falls Corporation is the first to introduce plastic coated paper packaging and has continued to improve its processes so as to provide packaging with more and more versatility. This plastic coating has been extremely instrumental in developing Sealright

sales in the past ten years. Today, with everything from boats to individual candies being packaged in one form or another, population growth is bound to bring about packaging growth, especially food packaging growth, and our United States population is growing at the rate of 3,000,000 per year.

Last year in the United States packaging industry sales exceeded ten billion dollars. Of this amount, approximately 45% was represented by paper packaging and the remaining 55% was divided between metals, plastics and films, glass, etc. Although the economic climate was somewhat unfavorable in the first seven months of 1958, the sale of food items continued to run slightly ahead of the previous year, which was in itself a fine year. Now that we are on the mend from the recession and every indication points to an increase in personal income of approximately 3% in 1959, the sales of food products should continue strong. This augurs well for the packaging industry especially in view of the fact that approximately one-half of all non-durable items sold are food

Weather to be sure is a factor affecting certain phases

of the packaging industry in particular where it pertains to the packaging of items that are consumed at the beach, camp, picnic site, ball park, etc. When the weather is unfavorable as it was in many sections of the country during 1958, its impact on the consumption of these items is very noticeable and of course this impact is extended to the consumption of packages. Weather-wise, 1958 was a poor year. Given better weather in 1959, together with better economic conditions, normal growth in population plus an expansion of new items being packaged in paper containers for the first time, we in the packaging industry are looking for a good year in 1959.

#### ROLAND A. ERICKSON

President, Guaranty Bank & Trust Company, Worcester, Mass.

The outlook for banking in 1959 is inexorably intertwined with the over-all trend of the national economy and government budgets. The 1958 recession proved to be short-lived as expected, but the sharpness of its recovery now raises questions for the

current year. In some respects, the rebound that has occurred is partly due to the impact of war and inflation scares in May and June of the past year which led to a re-examination of the status of inventories the country over. This occurred at a time when inventories had been declining at a very sub-stantial annual rate. The present rate of recovery, therefore, should not be viewed as a continuing phenomenon. A review of other basic forces seems to suggest that we can look forward to a high level of business in 1959 but not a super boom. llaving in mind problems coming up



with long-term labor contracts, it may be that 1959 will be a year of "troubled boom.

Another factor in the rate of recovery was the \$12 billion government deficit for the fiscal year ending July, 1959. Apparently there is enough concern in Washington to encourage the belief that the 1959-60 budget will be in substantially better balance. However, the announced \$77 billion balanced budget is probably too optimistic. Spending by all political units is on a one-way street which will sustain the business volume in the coming year.

Of basic importance to bank earnings is the impact of Federal Reserve Board action on the money market. To judge from recent public statements, that Board is rightfully standing firm in its obligation of trying to prevent undue deterioration in the value of the dollar, and to prevent a speculative atmosphere. Unless there develops startling international crises or domestic inflation scares of a psychological nature, a rather steady money market at about the levels of the past three months may be expected in the coming year. This statement should be qualified by the belief that present monetary forces do justify still higher prime rates and rediscount rates based on historical perspective. Eventually, it may be expected that such a relationship will prevail.

A strong national economy requires a strong banking system. It appears that the average banker is sensing more keenly that there is an earnings problem in the industry if staff and stockholders are to be adequately compensated. No industry is more vigorous than the quality of its staff and the happiness of those who invest in it. With this consciousness appearing in the public statements of banking leaders, it may be expected that more and more attention will be paid to the costs of banking services and their selling prices. Relatively speaking, this augurs well for the future of the banking. industry.

#### ROBERT G. FAIRBURN

President, Diamond Gardner Corporation

Diamond Gardner's management feels that 1959 will show improvement in the company's profit picture. There are two basic reasons for our cautious optimism: (1) the economy, we feel, is on the rise which will continue until restrained by tighter credit controls;

and (2) we will not face such heavy startup costs in the coming year.

Diamond Gardner is a widely diversified company in the forest products industry. Five operating divisions — General Package-FOOD-TAINER, Lumber, Woodenware, Dia-mond Match, and The Gardner division-turn out molded pulp products, paperboard and paperboard cartons, matches, woodenware (such as toothpicks and tongue depressors), lumber and lumber products. Except for some building and related materials sold in our retail outlets on both coasts, all Diamond Gardner products have one thing in common: they

come from the forests. General Package-FOODTAINER Division should have an improved profit picture. In the past year, it has developed new products such as the "Chic-tainer" tray for pre-packaging poultry. In addition, the normal growth of the population, plus a strong trend toward outdoor eating and in-plant feeding, will tend to increase our sales volume in molded pulp plates. We anticipate increased sales for our "Neet-Heet" charcoal briquet package-made of molded pulp which burns with just the right speed to light the briquets inside.

The General Package-FOODTAINER Division has its new Red Bluff, Calif., plant in complete operation. Nonrecurring startup expenses have been charged off this year, and we have reasonable expectations for a better profit picture for the operation. Already planned is an additional 20-30% increase in egg carton production capacity in the coming year. The new \$25 million plant has molded pulp manufacturing facilities and lumber manufacturing facilities.

The new lumber facilities at Red Bluff have allowed us to close two old mills and incorporate their personnel into the Red Bluff staff. We do not foresee much improvement in the market for the lumber division's products. Elimination of nonrecurring Red Bluff startup expenses and lower production costs will improve performance. Increased housing starts in the coming year may offset some depressing factors in the lumber industry.

Our match and woodenware divisions operate in a fairly stable business atmosphere. However, the recent reorganization of their management teams makes us confident that we can improve their performance. The match division, especially, will improve through better products with more consumer appeal.

The paperboard and carton industry is highly competitive. We look for new business in that field, however, by careful attention to costs while producing better products. An example is Gardner's "Redi-Tote" shoe box. It cuts handling costs for the manufacturer and the retailer. At the same time, it's more convenient for the customer to carry.

In the past year Diamond Gardner has continued to expand its facilities while reorganizing our management lineup (partially brought about by our merger in 1957 with The Gardner Board & Carton Co.). Each division now takes complete responsibility for its sales and production and operates as a profit center. We think we've done a tough job well. We now have new products, new plants and new resources with a better management organization to direct them.

Summing up, we think Diamond Gardner should have a somewhat better profit performance in 1959.

Continued on page 52

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#### Accounting & Inv. Services

DOVER, Mass.—Accounting & Investment Services, Inc. has been formed with offices at Perry Lane. Officers are Edward H. Arnold, President; H. A. Holder,

#### With Wyatt, Neal

(Special to THE PINANCIAL CHRONICLE)

ATLANTA, Ga.-Owen C. Vardaman has become connected with Wyatt, Neal & Waggoner, First National Bank Building. He was formerly with J: W. Tindall & Co.

#### Joins A. G. Edwards

(Special to THE FINANCIAL CHRONICLE) BELLEVILLE, Ill. - Harold W. Burdick is now with A. G. Edwards & Sons, 13 Public Square.

#### A. Kleine Adds to Staff

(Special to THE PINANCIAL CHRONICLE)

CHICAGO, III.—John E. Munger has been added to the staff of Alexander Kleine & Co., 120 South La Salle Street.

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## Kentucky Municipal Bonds Local Securities

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#### ERNEST S. FIELDS

#### President, The Cincinnati Gas & Electric Company

The last several months of 1958 strongly indicated that the economy of our Company's service area has experienced a pronounced upswing and that the decline in industrial sales of electricity and gas, which occurred

during the latter part of 1957 and the first part of 1958, has been reversed. Throughout the recession period residential and commercial sales continued their growth and more than offset the declines in industrial

advantages of the widely diversified industrial business within the area were evident during the latter part of 1958 when the increases in weekly kilowatt hour sendouts over the same week of the prior year were greater for our Company than for the country as a whole and for our own particular region. We expect the growth in

industrial gas and electric loads to continue throughout 1959 and, when combined with the continuous growth in the residential and commercial loads, to result in increases in total gas and electric sales equal to or greater than those experienced during the years prior to 1957.

There are several factors which contribute to the anticipated long term growth pattern. The population of the area continues to grow at a pace that adds from 7,500 to 10,000 residential electric customers and 4,000 to 5,000 residential gas customers each year.

Sales of load building electric and gas appliances continue strong and it is estimated that conversions and additions will add about 11,000 gas heating customers to our lines during 1959. New suburban shopping centers, which are large users of electric and gas services, are being constructed each year. New industries continue to be attracted to our Company's service area. These not only increase the industrial gas and electric loads but they also result in increased population with resultant larger residential and commercial consumption. A large steel company is in the process of increasing its rolling capacity by 35%. This conversion will be completed in the second quarter of 1959 and the energy used by this customer will increase substantially.

We firmly believe that our territory will continue to grow at a fast pace. It is ideally situated in respect to both the large population centers of the nation and all forms of transportation such as water, rail, air, etc. It has also a stable and dependable labor supply and offers an abundance of educational, cultural, and recreational opportunities which will continue to attract people. Substantial progress is being made on improvements which will make the Greater Cincinnati Area even more attractive to industry and as a location for headquarters of companies doing a national business. These improvements include the recanalization of the Ohio River, construction of expressways to expedite movement of vehicular traffic into and through the area, a new bridge over the Ohio River and a freeway which will provide easy access to the Greater Cincinnati Airport, a new Federal Building and plans for a large underground garage in the center of Cincinnati.

An indication of our Company's confidence in this growth is the fact that, during the past ten years, it has spent \$263 million for construction and plans to spend an additional \$72 million during the years 1959 and 1960. It is estimated that the electric industry will double in size during the next ten years and there is every reason to believe that our Company's rate of growth will be at least equal to that of the industry. Continued substantial growth in our gas business also is anticipated.

#### HARVEY S. FIRESTONE, JR.

#### Chairman and Chief Executive The Firestone Tire & Rubber Company

My belief that 1959 should be the best sales year in the history of the rubber industry is on the continuing growth of unit tire sales, increased sales of all other divisions in the rubber industry and the encouraging rate of expansion of foreign operations.

As a result of the rising dollar volume in the industry during the last six months of 1958, the rubber industry enters the new year with all factors favoring a continuing increase in dollar volume. The demand for tires in the year ahead. will be greater because of increased production of automotive vehicles and a greater number of cars in use.

It is estimated that passenger car production will be up approximately ,250,000 units, from 4,250,000 in 1958 to 5,500,000 in 1959, and that truck production will rise some 220,-000 units. The market for replace-

ment tire sales through local tire dealers on some 43,-000,000 cars that are now two years old or older presents another outstanding opportunity for 1959.

H. S. Firestone, Jr.

As for foreign operations, the rate of growth is exling that at home. Figures for rubber consumption outside the United States indicate an increase of 94%

in the past 10 years. Rubber consumption in the United

States has gained 42% in the same period.

It is reasonable to expect that 1959 will be the best sales year in the history of the rubber industry.

#### JOSEPH A. FISHER President, Reading Railroad

An upward trend in carloadings and revenues in the last quarter of 1958 is indicative of a further modest rise in business during at least the first half of 1959 for us. The recession which cut 1958 earnings of the

Reading to a level far below those of the previous year is apparently ended, and the hard-hit economy is taking an upturn in which we should participate.

Areas of particular encouragement despite the low level of earnings were adoption of the Transportation Act of 1958 by a Congress increasingly aware of railroad problems, and, on our own railroad, the continuing growth of port facilities and industrial development, along with the application of technological advancements.

In view of reduced earnings in 1958, the railroad exercised careful control of its expenses, but at the

same time, carried out long-range studies for future capital improvements to provide greater economy, and effi-ciency, as well as better customer service, when earnings permit resumption of such expenditures.

J. A. Fisher

Two new records were established at the Reading's Port Richmond Marine Terminal in Philadelphia, where more than \$800,000 was spent in 1958 for enlarged ore and coal handling facilities. The largest single cargo transshipped in the 114-year history of the terminal— 35,848 tons of iron ore—lifted into 640 railroad hopper cars from the ore carrier "Rio San Juan," and the largest coal cargo ever handled there-20,760 tons of anthracite shipped to France in the freighter "Andros Mariner"were high marks of the year for the Delaware River port. The new ore unloading facilities are expected to increase capacity by up to 200,000 tons annually.

Further spurring economic growth and enlarging employment opportunities in the area, as well as providing new traffic for the railroad, 30 new industries were located along tracks of the Reading System during 1958. The new Grace Mine of the Bethlehem Steel Co. near Morgantown, Pa., began shipping iron ore concentrate on Nov. 12.

Technologically, Reading research engineers applied new techniques in combating wear on curved rail through a new "dry lubricant," and made the first railroad application of rock bolting in stabilizing the roofs of railroad tunnels.

The Reading is participating with the Pennsylvania Railroad and the Philadelphia Transportation Co., in a pioneering six-month test on Chestnut Hill rail lines to determine whether lower fares and added service will attract riders to mass transportation and reduce traffic congestion. The test, known as "Operation Northwest," is sponsored by the City of Philadelphia. We are hopeful it will offer a possible solution to the increasingly heavy expense to the railroads of handling short-haul passenger service.

While the past year was disappointing, from a business viewpoint, the new year offers a brighter outlook for the economy as well as renewed hope in the promise of more equitable competitive conditions through the Transportation Act of 1958, steps leading to a solution of our passenger deficit, and the prospects for further legislative relief in the new session of Congress.

#### ROBERT H. FITE President and General Manager, Florida Power & Light Company

During 1958 new residents continued to come to Florida in large numbers. One measure of this was the new customers connected to the lines of Florida Power & Light Company. At the end of October, our total customers were up 42,000 over October, 1957. While this gain is less

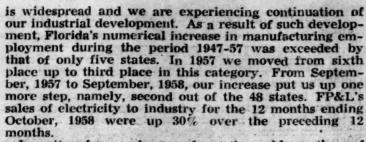
than the 56,000 increase for December, 1957, it is still very substantial. Another measure of the large continuing influx of new people is the fact that for the year ending July 1, 1958, U. S. Census estimates of the number of new residents in each state put Florida in second place.

Florida had some cold weather in the winter of 1957-58 which set the worse record, weather-wise, we have had since 1900. We are happy to say that, at this writing, the sun is shining now and that the U.S. Weather Bureau predicts the usual warm

weather for this season. This, coupled with the magnificent hotel and motel facilities, including new establishments constructed in 1958, gives promise of an outstanding record of winter visitors

Robert H. Fite

The benefits of our climate and the widespread desire of people to live and work in Florida, which spurred our industrial development, are becoming known to more and more industrialists. Such benefits are among those that brought important national manufacturers such as Pratt and Whitney, Minneapolis-Honeywell, Glenn L. Martin, Sperry-Rand, Westinghouse Electric Corporation and many others to Florida. While the national recession of 1958 may have postponed the plans of some companies, interest in the state on the part of manufacturers



In spite of crop damage from the cold weather of 1957-58, our agricultural economy as a whole is doing well, particularly citrus. The Federal Reserve Bank of Atlanta reports that our cash receipts from farm marketing this year will exceed last year's by 18% to lead the six states in their district. Citrus sales bring in about 38% of Florida's farm income.

Based on Florida's growth in 1958, we feel that 1959 will be a very good year and look forward to the future with confidence.

#### SAM M. FLEMING

#### President, Third National Bank, Nashville, Tenn.

As 1958 drew to a close, it was quite obvious that all segments of the economy were continuing to move forward from the low point of the recession, which was reached in the second quarter of the year. There is every indication that this forward

movement will continue well into 1959 and, in all likelihood, for the entire year. Inventories are being rebuilt, government expenditures continue at a very high level, housing starts should be well in excess of one million, and both personal income and expenditures should be substantially ahead of 1958. If automobile sales reach expectations, the year could easily break all past records.

However, with record prosperity prevailing and excellent progress being made in business techniques economic understanding, we still have not solved the chronic

problems of unemployment and the seemingly inexorable erosion of the dollar. Until the general public recognizes the malignant danger of inflation and is willing to discipline itself to the counter-measures necessary to contain this great problem, we must consider the future with considerable alarm.

The problem of inflation will undoubtedly become increasingly pronounced as the communist world builds up the tempo of the economic cold war. Their advantages of slave labor and the totalitarian state cannot be taken lightly, and we must no longer indulge ourselves with the illusion of being all-powerful. A balanced Federal budget, sound fiscal policy and the gearing of wage increases to productivity are absolutely essential if we are to prepare ourselves to contain inflation and meet the economic threat which the communist world presents. To do so will require the enlightened thinking of both business and labor leaders and the cooperation of the public and government officials.



Sam M. Fleming

#### O. T. FITZWATER

#### President, Indianapolis Power & Light Company

Business and operating conditions for 1959, as we foresee them, offer considerable promise for the electric utility industry in general.

In our opinion, all three major classes of electric utility sales in 1959 will show sub-

stantial gains in kilowatt-hour sales and revenue dollars.

For the residential class, the general improvement in economic conditions, particularly in the manner such improvement generates optimism for new purchases, should lead to a sustained and growing volume of new electric appliance sales. Increases in the rate of new home construction also will lead to increased kilowatt-hour sales in 1959. In addition, electric space heating and air conditioning will make substantial contributions to an increase in sales volume for this class of customers. Commercial sales will



increase at a very satisfactory rate in 1959. The high rate of completion of new suburban retail facilities and office buildings in metropolitan areas in 1958 will reflect substantial increases in kilowatt-hour sales in 1959. As the high rate of construction of commercial and institutional facilities continues in 1959, further gains in kilowatt-hour sales will be realized. While the number alone of these new commercial and institutional buildings will lead to sales gains, the higher levels of illumination, air conditioning, electric food service equipment, and electric space heating being utilized in these facilities to an ever-increasing extent will offer great potential for sales gains in 1959.

Kilowatt-hour sales to industrial customers in 1959 are certain to show significant increases over 1958, due in part to the moderate rate of improvement anticipated for industrial output. Efforts by the management of industry to develop new materials, alter product design, and improve production methods in order to reverse the trend of decreasing net earnings, also will bring about additional applications and use of electrical energy. Since such effort will be foremost in the planning and action of industrial management in 1959, kilowatt-hour sales stand to benefit from this factor more than the arithmetic gain to come with increased industrial output. The electric utility industry in general will continue

with substantial construction programs in 1959 and will have a corresponding need for new investment capital. Total expenditures for new plant, however, will not equal the levels of 1958. The construction programs completed in 1957 and 1958, and the effect of the industrial decline, have left many utilities with a substantial

reserve in generation and transmission capacity.

The increase in sales naturally will require some increase in utility plant to serve the new loads involved. Such new plant requirements will be predominantly in the nature of distribution facilities. Much of the increase in sales to industrial customers, however, will be through facilities in place before the recent industrial

This combination in 1959 of increased sales and a reduced level of capital expenditure should lead to substantial improvement and gain in net income and earnings for the industry in general. The improvement and gain in earnings will be affected to a large extent, however, by the rate at which inflationary pressures cause material prices and wages to rise in relation to the rate of increase in revenues.

#### ANDREW FLETCHER President, St. Joseph Lead Company

For years it has been quite common to consider the United States as the premier lead and zinc mining country of the world. But a new chapter is being written

in mineral history. In 1957, the United States was displaced by Australia as the world's number one producer of lead. Last year, Canada overtook the United States to become the world's premier producer of zinc. We now are second place in both metals.

The most striking development in the domestic lead and zinc mining industry during 1958 was the imposition of quotas on imports of ores and metals by Presidential action. Illustrating the need of this step, one has only to note the poor record of domestic mine output recently. Preliminary estimates indicate that the production of both lead and zinc

from domestic mines last year was the lowest since the depression days of the 1930s. Only about 265,000 tons of lead and 400,000 tons of zinc are estimated to have been mined in 1958 from United States properties. In 1957, production was also low, but by comparison totaled 338,-000 tons for lead and 532,000 tons for zinc.

This record is in sharp contrast with the showing of competitive foreign producers. My estimate indicates that the most important producing countries abroad will show a total production only slightly different from that in 1957. For some countries, production was even higher. However, we have to recognize the fact that certain foreign governments give full employment policies paramount consideration, so that it is difficult to curtail, and a shut-down is almost unthinkable. This seems odd considering the frequent comment of Latin American countries that they are dependent for their prosperity on the export of their raw materials and good prices. Modest curtailment all around would work wonders in the market place.

For several years, the lead-and zine miners have sought relief in Washington from the extraordinarily high flood of imports they have been receiving from foreign countries. The Administration early in 1957 took the unusual step of requesting Congress to increase the tariff rates on lead and zinc by a sliding scale, but this relief was denied. The miners subsequently sought relief through escape clause action under our tariff laws and were successful in procuring an unanimously favorable decision from the Tariff Commission. However, the President decided to seek another solution in view of the loud and somewhat emotional outcry from Latin American and other countries about any prospective tariff increase. He

proposed a subsidy plan which almost succeeded in becoming law, but this also was defeated in Congress. He then took another step open to him of imposing quotas on imports, the quotas to be based upon 80% of the average imports for the years 1953 to 1957 inclusive. This was followed by a governmental meeting in Geneva last November of the lead-producing nations of the world under the auspices of the United Nations, endeavoing the lead-producing actions, endeavoing the lead-producing actions, endeavoing the lead-producing actions. deavoring to develop a plan for voluntary world-wide adjustment of production to consumption. However, as is often the case, no common understanding was reached. Further meetings are contemplated, and in the mean-time, the State Department has indicated that quotas are likely to remain for at least a year.

Lead consumption in 1958 was estimated to be about 992,000 tons in the United States, and zinc consumption 823,000 tons. Imports remained at a high level, about 530,000 tons for lead and 625,000 tons for zinc. Lead started the year with a price of 13¢ per pound New York and declined to a low of 10¾¢ on July 13, but recovered subsequently to 13¢, where it was as the year closed. For zinc, the year started at 10¢ per pound East St. Louis, where it remained until early October when the price was increased to 10½¢. It ended the year at 11½¢.

Entering 1959, the zinc situation appears to be substantially better than that of lead, but should our business recovery continue and quotas in the equivalent remain in force, I feel that the outlook is promising for both metals.

#### CARL J. FORSBERG

#### President, Wisconsin Power and Light Company

In 1958, our service area experienced a decline in general business activity along with the rest of the nation. In addition, a rate reduction for certain commercial categories was in effect for the entire year

and unexpected weather conditions restricted the demands for energy. Despite this combination of circumstances, our total revenues increased by about 31/2%. Such results emphasize the stability of residential and rural sources of revenue. In our service area, they accounted for almost half of our business and their gains more than offset the drops in commercial and industrial

Although national figures are not yet available, results for other com-panies will probably be about the same as ours, except for those serving predominantly commercial and industrial areas. The effect of the

1958 downturn was more pronounced in such areas, but even those utility companies should have total sales about equal to 1957.

The business recovery in general has been such as to justify cautious optimism for the future. The resurgence of consumer confidence, an increase in personal savings to our highest peacetime level and an improved consumer credit picture are all encouraging signs to businessmen everywhere. Yet, we must not overlook the fact that since World War II inflation has been, and still is, a potent threat to our nation's economic health. It will continue to require special attention.

Facilities for electric utilities require heavy investment, take considerable time to construct and must be operating prior to anticipated demands. Consequently, the risks of forecasting are greater for us than for most businesses because we have to commit ourselves well in advance of conditions. It is significant that our industry expects to double its facilities in the next ten years. It is to that extent that we anticipate increased demands by a growing population which will be using more and better electric tools and home appliances.

The immediate prospects for the electric utility industry are good. The business recovery should continue because it appears to be on a sound basis and will probably last longer if restraint is exercised and inflation

controlled. Being less susceptible to economic down-turns yet responsive to uptrends, our industry occupies an enviable position.

#### HARRY B. FREEMAN President, Rhode Island Hospital Trust Co.,

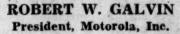
Providence, R. I. The stock market is forecasting a continuance (or resumption) of inflation, an expansion in business activity of boom proportions, and an increase in corporate earnings of the order of 35%; a figure, incidentally, with

which the government's budget experts seem to agree. The bond market appears to be discounting substantially the same developments, to be expecting higher interest rates and a climate generally unfavorable to the ownership of fixed-income securities. The question as we enter 1959 is whether these implied forecasts are likely to prove correct.

In my judgment they will be correct only in part. The pendulum in 1958 swung too far in the direction of accepting inflation as a permanent way of life in this country; we may see the beginning of a swing in the opposite direction in 1959. The fuel

for inflation is abundant and Federal has repeatedly warned that the avoidance of further inflation is our major problem. The increase in the money supply since last January has been at an unprecedented rate, so rapid in fact that Federal shifted to a restrictive credit policy earlier in the cyclical upswing than ever before. If a boom of the size envisioned by the stock market were to develop, Federal would be forced into a still more restrictive credit policy with the inevitable result of slowing down the expansion in business activity and earnings. The immediate effect on bonds might be adverse, but the subsequent effect would be favorable.

At the end of the year, therefore, we may look back on a smaller business boom than the stock market is now discounting, in which case holders of stocks will have been disappointed, holders of bonds will have been encouraged, the economy will be healthier, and the fears of inflation will have subsided—temporarily.



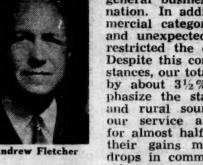
The consumer products segment of the electronics business can look forward to a good sales volume in 1959. In the television category for 1959, we estimate unit sales of 6,200,000, an increase of 15% over the 5,700,000

of 1958. In table radio, an estimated 2,500,000, off 10% from the 2,800,000 last year. Clock radio, 2,300,000, up 2% from 2,250,000. Portable radio, 3,000,000, up 7% from 2,800,000. Monaural phonographs and hi-fi will give way 63% to 1,000,000 units from 2,700,000 this year. At the same time, stereophonic high fidelity will soar to 3,000,000 units from 750,000. Car radio will enjoy a resurgence of some 32% to 4,500,000 compared with 3,400,000 units in 1958.

Taken altogether, this will represent a good, solid year, but no record and no sensation of boom. Competition will be exceptionally keen, but more on a quality-value

basis than on a price basis. The consumer has exhibited a tenacious interest in upgrading his tastes in 1958. We expect this to continue in 1959 to the extent that novelty merchandise will go begging, while sound design and engineering will prosper.

Significant developments in the field of consumer products electronics likely to appear in 1959 include binaural tape for stereo equipment, and the adoption of





# With Weil, Roth, Irving

(Special to THE PINANCIAL CHRONICLE)

CINCINNATI, Ohio—Stanley A. Hooker, Jr. is now affiliated with Brogar. has joined the staff of SHEBOYGAN, Wis. — Kenneth The Weil, Roth & Irving Co., Citizens Securities Co., 224 Cherry E. Goodman has become associbixie Terminal Building, members of the Midwest ated with Wayne Hummer & Co., of the Cincinnati Stock Exchange. Stock Exchange.

#### Citizens Secs. Adds

(Special to THE PINANCIAL CHRONICLE)

GREEN BAY, Wis. - John

#### Kenneth Goodman Joins Wayne Hummer Co.

(Special to THE FINANCIAL CHRONICLE)

SHEBOYGAN, Wis. - Kenneth Goodman was formerly head of Kenneth E. Goodman & Co. and prior thereto was President of Heronymus & Co.

#### John E. Coleman Opens

CHICAGO, Ill.-John E. Coleman, Inc. has been formed with offices at 110 North Franklin Street to engage in a securities business. Officers are John E. Coleman, President and Treasurer; Walter E. Cahill, Secretary; and Wallace Sollo, Vice-President.

#### With White & Co.

(Special to THE PINANCIAL CHRONICLE) BLOOMINGTON, Ill. — Robert L. Pare is now with White & Co., 216 West Washington Street.

Underwriters — Dealers — Distributors

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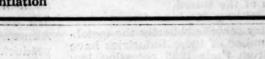
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Harry B. Freeman

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Continued on page 54

# THOMAS & COMPANY

PORTER BUILDING PITTSBURGH 19, PA.

Municipal and Corporate Securities

standards for stereophonic radio. Ultimately stereo may

become as large a factor as television is today

In other categories of electronic products the two-way radio communications and microwave relay systems segment of the industry is expected to advance 10% or more. Transistor and other semiconductor devices will increase in a major way the new applications to consumer oriented products. Military electronics will remain in the same order of significance.

For Motorola specifically, the consumer products activity has shown continuous improvement in the last six month;. The division is budgeted for a 26% increase in dollar volume in 1959. In two-way communications, a minimum 10% increase is expected. Semiconductor volume will be up more than 100%. Car radio will improve substantially. Military electronics will remain essentially the same percentage of the company's total business. Altogether, Motorola is targeted for a sales increase of more than 10% in 1959.

#### EARL A. GARBER President and General Manager, Harbison-Walker Refractories Company

The outlook for refractories in the year ahead is for considerable improvement over 1958. However, it is not expected that the former record level of shipments of 1957 will be reached. This is due largely to the rather

modest capital expenditure programs of major customer industries and to their own cutlook of production at less than record levels. At present, the refractories industry and Harbison-Walker Refractories Co. have made a strong recovery from the earlier low points and are well along on the way of repeating their growth patterns. Also, manufacturing, service and distribution facilities have been extensively modernized and expanded in the past decade.

The recovery of the steel industry from the late recession has been widely publicized. Other important users of refractories include the producers of the growing non-ferrous

metals, such as aluminum and nickel. Also, widely diversified industries such as petroleum refining, cement, glass and chemicals use ever growing amounts of refractory products. Being essential in the operations of its consuming industries, which in turn are fundamental to our conomy, the future of refractories is assured. This is true not only for the year ahead but also for the longer term, a period that should see great population and economic growth.

Earl A. Garber

Both refractories and the major consuming industries find themselves deeply involved in technologic change and improvement. For example, the steel making process in just the past year has been a significant expansion in he use of t e all basic open hearth furnace. In conjunction with the use of oxygen, higher operating temperatures are now attainable. This results both in an ncreased production rate with existing facilities and in better steel. The refractory which makes this development possible is basic brick, a product of higher efractoriness than the conventional furnace lining maerials. In anticipation of gradually expanding use, farbison-Walker has recently made major additions to is basic production facilities. The Harbison-Walker perations are now diversified geographically and of dequate capacity to serve the foreseeable future.

Research is expanding its role and making an ever ncreasing contribution. The new Harbison-Walker search center has just recently been put into operation. a constant search for new and improved products is eing made to meet the ever increasing demands of the ation's industrial furnaces for materials of greater reractoriness and other improved properties.

#### FREDERICK V. GEIER Chairman of the Board, The Cincinnati Milling Machine Co.

The machine tool industry serves primarily the metalvorking industries. A number of these industr ecovered substantially from their 1958 recession low evels, but not as yet to the degree that encourages them

to expand or further modernize plants. In fact, the "American Machinist" 1958 Survey of Machine Tools, shows a higher proportion of the machines in use rated obsoles-

cent than in many years.

During 1958, the capital expenditures of industry were held to a low level. Some customer firms were active in installing new cost-saving methods and machines, but a large proportion of the machine tool quotations made in 1958 were set aside by customers for later action.

As a result, orders for machine tools generally held within a narrow monthly range throughout the year, around one-third of the industry's

normal capacity. The machine tool industry booked about \$270 million n orders, and shipped about \$400 million in 1958. The dustry must more than double its 1958 order level reasonably healthy production and engineering acity. Greater confidence in the long-run business outok, and a healthy resumption in capital expenditures

Frederick V. Geier

Meanwhile, obsolescence of equipment in use is grow ing month by month. If the United States is to hold its place in the race for technical and industrial progress, in maintaining a high standard of living, and in its own defense, the problem of equipment obsolescence will have to be met. The new machine tools now available will show production gains and cost-savings averaging 40% over the older types generally in use. Replacement of obsolete equipment offers industry one of the world's most profitable investment opportunities.

#### R. S. GERSTELL President, Alpha Portland Cement Company

Perhaps it is proper that I set forth my views on the cement industry for 1959. I have been employed by the Alpha Portland Cement Company for better than 40 years and my thicking, therefore, may carry a bit more weight than would overwise be true.

As everyone knows cement is tied closely to construction. Happily the outlook for new construction next year is good. It is jointly estimated by the U.S. Commerce and Labor Departments that the volume will exceed 1958 by slightly more than 7%. Both public and private housing should remain about the same as for last year when some 1,160,000 units were begun. Mortgage difficulties and tighter money may tend to somewhat lessen volume.

The cement industry depends for a very considerable proportion of its volume on concrete roads. The U. S. Bureau of Public Roads estimates that capital expenditures this year will amount to \$7.1 billion. This, it is estimated, will require 78.3 million barrels of cement-25% of the expected consumption. As construction goes so goes cement.

Admittedly, we are today overcapacitated—slightly better than 400,000,000 barrels can be currently produced. Last year's shipments should exceed the 300,-000 000 barrel mark. The seller's market of the past is now a buyer's market. Supply greatly exceeding de-mand. This, of course, tends to bring about increased competition making it necessary to market our product at destinations and freight absorptions not normally considered justifiable. Today's highly competitive market has a depressing effect on the price structure.

Our company recently departed from our so-called Quarterly Price Plan which has been in existence for many past years. Under that method of selling prices could be upward revised only at the beginning of a calendar quarter. Today we are naming a firm price for our product throughout all of 1959. This substantial departure from the past has been brought about by severe competitive forces and will undoubtedly affect profits, parcicularly if labor continues its aggressive attitude. Would it be asking too much to have stabilized wages for ail of next year? As stated above, we have already established a firm price for our product. Could this be brought about, everybody would benefit. Unfortunately wage demands will probably not be geared directly to productivity. The wage-price spiral continues to plague all American industry, not alone cement. Would that an enlightened understanding be entered into by both management and labor, and a recognition of the utter futility of yearly wresting from the public both higher prices and higher wages. This policy hangs as a heavy cloud over an otherwise bright outlook. Unfortunately manufacturing costs will increase. They cannot be offset by higher prices. The price of Alpha cement f.o.b. our plants during next year will remain constant.

Fortunately the per capita consumption continues to increase and last year should approximate 1.8 barrels. The population increases by leaps and bounds. It has been conservatively estimated that there will be 250,-000,000 people in the United States by 1975 as compared with 175,000,000 people today. To satisfy this anticipated growth, an additional 135,000,000 barrels of cement will be required by then in order to meet the demandassuming, of course, a constant per capita consumption. We like to consider ourselves as a growth industry. Almost daily new applications are discovered for our product. The use of tilt up construction, precast and prestressed concrete should continue to increase over the coming years. Only a few short years ago these terms were not found in the builder's vocabulary. Structural concrete has proven itself a versatile and ultra modern construction material. New techniques using our product are constantly being developed.

Unfortunately there still remains to be resolved the Percentage Depletion problem. A number of our competitors have already secured substantial refunds from the government on account of this item. We unfortunately have been compelled to institute suit in the Federal Courts for the collection of what, we believe, is justly due us. Should Congress vote legislative changes reducing this item it could seriously restrict cement company earnings.

Summing it up, therefore, it is our belief that our industry after all is said and done should enjoy during the year just begun somewhere in the neighborhood of a 5% increase in sales. Unfortunately it does not appear at the moment that profits will keep step. This could be altered should the volume be substantially larger than presently seems probable.

#### LORING L. GELBACH Chairman and President, Central National Bank, Cleveland, Ohio.

The outlook for business in 1939 is bright, with new high levels expected in Gross National Product, per onal incomes, retail sales, employment, and the volume of goods produced. The realization of these expectations

will also make it a good year for the nation's banks, with fine prospects for maintaining a high level of earnings.

The recovery in business that has taken place since last April is sound and well-balanced with all major segments of the economy moving upward. It is anticipated that the recovery will continue into 1959 but at a more moderate rate.

A powerful stimulus to the recovery has been the decline in the rate of inventory liquidation. A reversal in inventory policy from liquidation in 1958 to accumulation in 1959 is one of the basic forces in the outlook for higher levels of



Loring L. Gelbach

business activity in the 12 months ahead.

Expenditures for housing will be up only moderately over 1958 and should add balance to the broad economic advance of the new year.

Consumer buying is expected to be the dominant force in pushing the economy to higher levels. There is reason to believe that the increase in consumer spending for goods and services will become increasingly more important and business spending less important in the growth of the economy this year. The effect of increasing personal incomes during this period of relatively stable prices paves the way for sharply rising sales of both durable and non-durable goods. A 20% to 30% rise in automobile sales is frequently mentioned in the industry.

Increases in government spending both on a state and national level will add further impetus to the expanding

It appears unlikely that there will be a liberalization of credit terms such as that which occurred in 1955. This should act as a restraining factor and help keep the rising economy on a sound and sustaining basis.

Recent surveys indicate that capital expenditures for plant and equipment will not rise appreciably in 1959 since capacity generally is ample. This factor in itself should act as a strong deterrent to a rapid rise in business during the next 12 months.

Prices are likely to remain stable during the first half of the year, but thereafter as the economy moves closer to capacity operation, the threat of inflation will reappear. Our chief concern should be to find ways and means of preventing inflation from nullifying a portion of our economic gains.

The Federal Reserve policy of moderate credit restraint is a constructive force throughout this period of large deficit financing by the Federal Treasury. To the extent that the Federal Reserve encourages financing of the Federal deficit outside the commercial banking system, the effects will be non-inflationary.

In a soft currency nation such as we now are regarded, abroad, it is imperative that sound credit policies be followed in the management of the public debt. The Federal Reserve and the Treasury are to be commended for the manner in which the Federal deficit has been funded to date.

Thus, far the recovery in Cleveland bu iness conditions has lagged behind the national improvement. The anticipated rise in consumer sales - and particularly durable goods — should be especially beneficial to Greater Cleveland and cause the rate of growth of local business in 1959 to exceed that of the nation as a whole.

I look for business to rise mildly in 1959. If this prediction materializes, there will be more reason for expecting a continuing sound expansion as we enter the '60's.

#### A. C. GILBERT, JR. President, The A. C. Gilbert Company

Predictions for 1959 must, in part, be predicated upon events occurring in 1958. The toy industry, like the rest of the economy, suffered

from the recession in the early part of this year. Recovery was slow and spotty by mid-

year, but spurted toward the end of the year, ending strong. Having failed to gauge the rapidity

of recovery, merchants did not order enough goods for the full Christmas trade in 1958. The result will be fewer carryovers, smaller clearance sales in January, and fewer genuine price bargains then.

Also, government spending continues at a high rate. This will bolster the entire economy for the next two years, at least, and will help steam up business and help our economy to continue going well in 1959 and 1960. The area to watch, I

believe, will be the foreign imports of toys. Department stores, 5-&-10 stores, specialty shops and super markets were delighted to get imports which held an edge in price and produced higher profit margins for merchants. These imports, with their appeal of something "Different" lent themselves to special promotions, and cut into the sale of comparable domestic items. As these imports improve in quality and con-



A. C. Gilbert, Jr.

tinue to hold an edge on price, they will more seriously affect the American toy industry in the years to come.

As I see it, the toy industry in 1959 will be confronted with three crucial problems: the continuing profit squeeze; rising costs; and the need for bigger and better sales and marketing forces and merchandising techniques. A recent statistical survey of the toy industry showed that for 1956 average net profits after tax were 3.2% of sales and only 2.5% in 1957. I'm sure, with manufacturers' sales down 4-5% in 1958 that this profit ratio will be even lower.

Business for the toy merchant will show a marked improvement over 1958, though I must hasten to add I

do not expect an all-out boom to occur.

My feeling is that business will stabilize at, or slightly above current levels. 1959 should really be a year of gathering momentum—a year of transition to the 1960s when barring war, genuine boom years may develop.

If I were to hazard an estimate of sales gains for 1959 in the toy industry, I would anticipate an average 10 to 13% increase for the retailer, with substantially improved profit margins—with increases ranging from 1 to 5% generally. In the science categories, this increase may jump as high as 50, 70 and 100% in a few

The real gains of 1959, I believe, are more likely to develop as a result of the measures it was necessary to take during the downsweep in the first part of 1958, and the lessons learned therefrom—such as the adop-tion of cost-cutting, increased efficiency, modernization and tighter scheduling and inventory control. Much of the gain in 1959 should result from new product development and similar programs started in '58, as these begin to pay off.

All in all, the toy industry should enjoy a good year in 1959; a better year in 1960.

#### W. D. GILLEN

#### President, The Bell Telephone Co. of Pennsylvania

Our companies are basing their planning for 1959 on the expectation that the business recovery, which began in the latter half of 1958, will steadily continue.

The recovery in Pennsylvania and Delaware, the states served by our two companies, will be sustained, it is believed, by employment gains accompanying expanded industrial activity, population growth, an increase in family

formation and the urge of the public to up-grade its purchases.

While it is doubtful that the rate of growth in our business will set any new records during the year, nevertheless, we look for a strong demand from the public for communications services, particularly, from business and industrial customers. These customers are becoming increasingly aware of the economic advantages to be gained from complete and modern communica-

tions as exemplified by the new products and services which scientific research by the Bell System is enabling

us to bring them.

In the telephone business, planning and plant placement must anticipate public demand by a considerable interval. So, despite the fact that our rate of growth showed some decline in 1958, we proceeded with a plant expansion and betterment program, costing more than a hundred million dollars, confident that a resurgence in business generally would be reflected in our growth at a date not too far distant.

This year our planned construction expenditures again will exceed a hundred million dollars, marking the fourth consecutive year that such expenditures have been of this magnitude. Construction on this scale is necessary if the public is to be adequately served but additionally it helps keep employment high and is a stimulus to the general economy of the territory we

As a result, we are well prepared to care for public demand and are in a position to aggressively merchan-

dise our services. Intensive merchandising in our opinion is a duty a telephone company owes to all its customers since the better or more complete telephone service any customer has, the more satisfying it is for all customers having telephone contact with him.

Planning and plant placement in the telephone business must not only anticipate the place and timing of customer demand, it must also be for the long run. Any other procedure is more costly and hence ultimately more expensive to the user of the service. However, economical provision for the future requires adequate earnings in the present and this is a matter of pressing concern to the telephone industry.

The industry has not been insulated against inflation. Plant placement and replacement costs continue to rise and the public should recognize this by granting reasonable pricing relief so that an industry so essential to the public and so critical in the plans for national defense may be preserved in a sound condition.

#### CHARLES W. GLEASON

Chairman, Group Five Savings Banks Association President, The Green Point Savings Bank, Brooklyn, N. Y.

Savings banks, through the years, have invested the largest percentage of their depositors' funds in mortgages. The growth of such savings makes additional funds available for mortgage lending and directly affects

the building industry and the business of its many suppliers. Therefore, it is obvious that savings banks have contributed in a far-reaching manner to the health of our national economy.

During the year, Dec. 1, 1957-Nov. 30, 1958, deposits in the savings banks New York State increased by \$1.456 billion to an all-time high of \$19.778 billion—a growth of 7.9%. Over the same period the investments of these banks in mortgage loans increased to a total of \$14,765,-181,000, divided as follows:

VA loans \$6,037,524,000 FHA loans 3,772,410,000 Conventional loans 4,955,247,000



Charles W. Gleason

Of all mortgage loans on properties in New York State, savings banks hold 52.8%, a total in excess of that held by all other sources combined.

Savings, it is anticipated, will increase during 1959, and while not as much as could be desired for the needs of a growing and dynamic economy, nevertheless, sufficient to provide for an expanding construction program. As of Nov. 30, 1958 mortgage commitments made by the savings banks of New York State on new construction totaled \$1,245.6 million and on existing construction \$438.0 million. The huge mortgage lending of savings banks in the year just ended was one of the basic factors contributing to the rapid recovery from the recent recession, and the figures herein given in respect to outstanding commitments constitute a favorable omen for the current year.

Support for such optimism is to be found in forecasts of the U.S. Department of Labor and the U.S. Department of Commerce. These informed sources anticipate an eleven per cent increase in expenditures for new residential construction (from \$18.5 Billions to \$20.6 Billions) during 1959. This represents two-fifths of the total to be spent on new construction of all types during the same period. This expected high dollar volume reflects in part the large number of units started late in 1958. These sources also report that the apartment building boom of the past two years appears to be declining and likely to shrink further in 1959. Also predicted are less favorable mortgage terms and an increase late in the year of higher priced single family houses.

In the Long Island area of New York State, consisting of the four counties of Kings, Queens, Nassau, and Suf-

constructed and older homes has been notable. In the twelve months ended November 30th, 1958 the twentytwo Savings Banks of Brooklyn and Long Island City comprising the Group Five Savings Banks Association of New York State, experienced a deposit increase of \$379.4 Millions, the major portion of which was invested in mortgage loans. Holding greater significance for 1959 is the fact that as of November 30th, 1958 these same banks had outstanding mortgage commitments in the total amount of \$425.7 Millions on 18,669 buildings of new construction and \$182.7 Millions on 9,112 existing

Brooklyn has had a phenomenal reversal in building trend. Large one and two family housing developments have been built, new apartment houses have replaced outmoded dwellings in good areas, and large areas have been rehabilitated through the erection of both private

Nassau County and the western end of Suffolk County show indications of a revived interest in home building

If the ability and desire on the part of Savings Banks of Brooklyn and Long Island City to finance the con-tinuing construction of private homes, apartments, religious institutions, hospitals, community centers and shopping areas is any criterion of the national economy then 1959 should be another good year.

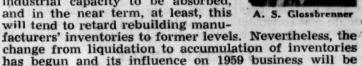
#### ALFRED S. GLOSSBRENNER

#### President, The Youngstown Sheet and Tube Co.

Our 1959 business outlook is one of continuing re-covery from the lows reached last summer. This recovery is expected to carry total business activity to new record levels as measured by industrial production

and the output of total goods and services, with the high in industrial activity being attained some time during the first six months of 1959.

This optimism is not meant to envision an unbridled resurgence in business, because there are major restraining forces. Business spending for new plant and equipment is no longer in decline and will undoubtedly improve in 1959 along with corporate revenues and profits. However, capital spending is not expected to regain significant strength next year. There exists a generous industrial capacity to be absorbed, and in the near term, at least, this will tend to retard rebuilding manu-



This year's steel labor negotiations places an ominous and still unassessable impost on uninterrupted economicrecovery. Excluding a major steel strike, particularly at a time when steel inventories in the hands of steel consumers are apt to be at a comparatively modest level, we foresee no turnabout in the business recovery already experienced.

We look for rising personal incomes and increased spending for durable goods in 1959. Consumer durables suffered disproportionately in the 1958 set back. Bigger pocketbooks with increasing consumer confidence, expanded liquid savings and a decline in total outstanding consumer credit, particularly auto paper, are favorable factors in 1959.

Auto sales are due for substantial improvement and construction seems sure to repeat another record year with home building and public construction, especially highways, leading the way.

Federal Government spending will probably continue upward next year despite the Administration's effort to avert another deficit in 1960.

With spending activity in these important economic' segments pointing upward, we, too, look for considerable improvement over 1958 steel industry ingot pro-

Continued on page 56

# folk, the resurgence of activity in the sales of both newly

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#### Two With Loewi

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. - Thomas Kaufman and William L. Stotzer have become connected with Loewi & Co. Inc., 225 East Mason Street, members of the New York and Midwest Stock Exchanges.

#### Rejoins Francoeur Co.

(Special to THE FINANCIAL CHRONICLE) SHEBOYGAN, Wis. - Otto F. Kaufman, Jr. has rejoined Fran-coeur & Co. of Chicago. Mr. Kaufman has recently been with Kenneth E. Goodman & Co. and Heronymus & Co.

#### Joins Hilsman Staff

(Special to THE FINANCIAL CHRONICLE) ATLANTA, Ga. - William P. Roberts is now affiliated with J. H. Hilsman & Co., Inc., Citizens & Southern Building, members of the Philadelphia-Baltimore Stock Exchange. He was previously with Merrill Lynch, Pierce, Fenner &

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Paul W. Goodrich

#### Continued from page 55

duction, a disappointing 85 million tons. An annual forecast of 108 million tons of ingots with first half production exceeding the final six months by 6-7 million tons is believed to realistically reflect our optimism for the steel industry in 1959.

#### PAUL W. GOODRICH

#### President, Chicago Title and Trust Co., Chicago, Ill.

Real estate activity in the Chicago area reflects the dynamic growth forces inhrent in its geographic location and the skills of its population. Despite the recession of 1958, there has been no relaxing in the longer-

range plans of business and civic leaders for greater public and private improvements. The northern Illinois and Cook County expressways now provide this area with one of the finest road systems in the country, and a new airport meets the exacting requirements of the jet age in air transportation. Chicago is also fast becoming an international port of call for water carriers. Added to these accomplishments, is the realization in the near future of a magnificent lake front exhibition and convention hall.

These new facilities, coupled with an expanding population and higher personal incomes, should contribute

to a higher level of real estate activity and building. New residential construction and real estate sales have improved from their slump of early 1958 and the outlook is favorable for the coming year.

An important part of the Chicago picture is the renewed interest in developing and improving residential facilities within the corporate limits of the city. Not only is expansion proceeding in outlying areas, but there is a growing appreciation for potentials in new housing closer to the center of the city. Private builders and cooperative planning associations are working to raise housing standards in former blighted districts.

Real estate and building are sensitive to mortgage money rates and it is possible that a general pattern of higher interest rates will serve to dampen building before the end of 1959. Nevertheless, it seems likely that nationwide housing starts in 1959 will exceed one million units

The outlook for 1959 generally is good for the real estate and construction industries, and the Chicago area will participate proportionately in the national trend.

#### J. PETER GRACE

#### President, W. R. Grace & Co.

With the nation's economy on the upgrade again, American businessmen can look forward to 1959 in a mood of confidence. From all indications the coming year should be one of continued increase in business recovery at a substantial rate with,

of course, varying rates of progress among different industries.

By the end of 1959 it is expected that the United States economy will have regained the level lost in 1958 and obtain the approximate level of its long range growth pattern. I share the feeling of other business-men that the U. S. economy will continue at a normal rate of growth over the next several years.

Along with the economic recovery of the United States, the Latin American countries which are so heavily dependent upon the United States for their trade and economic welfare, will also make favorable

progress in 1959. During the past year they experienced

history. Some of them are now just beginning to pull out of the difficulties which resulted primarily from the sharp drops in metal and coffee prices. In the case of the metal-exporting countries, the pace of their recovery is being assisted by the upturn in metal prices. As for the coffee producing countries, a serious problem of overproduction exists. Some of the countries are taking steps to alleviate this problem by restricting imports and encouraging exports of other commodities.

Meantime, many of the Latin American countries find themselves confronted with extremely difficult financial problems. The most pressing is the depreciation of local currencies, which during the past year has been at the sharpest rates of recent times in Latin America. The rates of depreciation among the countries affected ran from 33% to 103%. To cite several examples, during the first 11 months of 1958 the currency of Colombia depreciated in relation to the dollar by 33%, Peru 36%, Bolivia 38%, Chile 43%, Brazil 58% and Argentina 103%.

These countries are seeking to stem any further currency depreciation and their efforts are being encouraged and assisted by the U.S. For instance, very recently Argentina received loans and financial assistance totalling \$329 million mostly from the United States to help resolve her financial crisis. Simultaneously Argentina freed her currency, ended import restrictions and launched an austerity program. The drastic cur-rency depreciations in Latin America have been a heavy blow to American manufacturing investments in Latin America which are confronted with the problem of maintaining the true value of their capital and remitting profits in dollars. With the energetic efforts now being exerted, we anticipate that these currencies will become more stable during 1959. This issue will be high on the agenda for positive action in the coming year.

The Latin American countries, despite their present troubles, are determined to continue their economic development at the highest possible levels through diversification to diminish the ill effects of a one or two crop

It is my personal opinion that nothing can stop them in their drive for greater economic development. Despite all obstacles their record in the 104 years in which we have been operating in Latin America is one of growth and development. Their rate of development in the period immediately following World War II has been extraordinary and it was not to be unexpected that some ground would be lost as was the case during the past year and a half. However, companies which will invest and work in Latin America for the long pull will, I am sure, win long range gains and profits in the future just as they have in the past.

#### R. L. GRAY

#### President, Armco Steel Corporation

America's steel industry will make and sell considerably more steel in 1959 than in the recession year just past.

There are many bright spots in our economy. Perhaps we will not reach the peaks set in

1955, 1956, and 1957, but the outlook

The new automobiles have caught the public fancy, and sales of household appliances are also moving upward. Farmers are continuing to buy new machinery and equipment.

The railroads are beginning to place orders again. Sales of industrial machinery should be up next year, and defense spending will continue at its present high level.

Construction, especially on the new road program, is moving at a fast pace. Recent action by the U.S. Supreme Court will spur the building of new pipelines, big users of

steel. All in all, we expect the steel industry to turn out about 108 million tons of ingots next year, 25% above the 85 million tons produced in 1958. And the

R. L. Gray

momentum of our present comeback could possibly carry the demand for steel even higher.

The sky is not completely rosy, however. There are some clouds which we cannot ignore.

One is the importation of foreign steel. For example, in several sections of our country, foreign steel products are now being sold at prices far below those American producers can match.

We cannot make steel as cheaply as foreign countries, of course, because the wages of foreign steel workers are much lower than ours.

American steel workers are among the highest paid industrial workers in the world. And we sincerely want them to have the highest wage scales the industry can afford. We want them to be able to provide their families with the homes, automobiles, appliances, vacations, education, and other benefits that are part of our stand-

In recent years, however, wages and salaries have been rising much faster than the output-per-man-hour in our industry. This means that it is getting harder and harder

for us to compete with foreign steelmakers.

More new equipment would help raise output-perman-hour in line with wage increases. But our present tax laws do not permit us to retain enough money to replace worn out equipment. We must use profits to help replace old facilities and our profits have not been high enough to let us set aside all the money that is

As a result, the jobs of some of our employees have already been lost to steel workers overseas.

In 1957 for example, the United States exported some

6 million tons of steel products and imported nearly 2 million. Exports and imports are now about in balance at the rate of about 2 million tons annually. Should this trend continue, the 1957 three-to-one exportimport ratio could conceivably be reversed, so that by 1960 we would be exporting 2 million tons and importing 6 million tons. This would mean that steel workers in the United States would make 8 million fewer tons.

To state this another way, 80,000 American steel workers could lose their jobs to foreign competition in 1960 and payrolls in the steel industry could go down as much as \$500 million in that year.

This is a sobering outlook, to say the least.

Our country needs two-way world trade to survive, and at Armco we do not believe that it would be wise to keep foreign steel out of the U.S. by use of high tariffs. There is only one sound way to compete.

That is by reducing our costs of production. The time has come for labor leaders and management. to join in working to preserve the jobs of American steel workers from destruction by foreign competition. The task will take the combined ingenuity of all of us.

We want to export steel, not jobs.

#### CRAWFORD H. GREENEWALT

President, E. I. du Pont de Nemours & Company The marked upturn in business activity which took place in 1958, particularly in the fourth quarter, substantiates the confidence which had been expressed

generally in the basic strength of the nation's free economy. Confidence is one of the principal ingredients of a healthy economic climate, and it is neartening to note that it has not been mis-

placed. To the extent that the chemical

industry can be termed representative, the pace of recovery has been rapid. Our sales in the fourth quarter are, by a narrow margin, at the highest rate in our history. With our sales price index now at the lowest level since early in 1950, the current high rate of sales represents a new record in physical volume as well as in dollars.

Improved conditions in the second half of 1958 followed a period when, relatively speaking, conditions were well under par. For



Retires from Partnership

PORTLAND, Maine-Harold C. son has retired as a partner in H. M. Payson & Co., 93 Exchange Street, after 50 years of association with the firm.

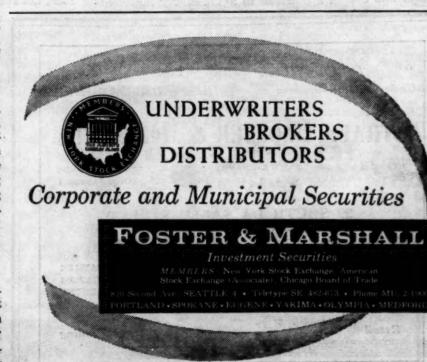
#### American Mutual Funds

MIAMI BEACH, Fla.-American Mutual Funds Service, Inc. has been formed with offices at 420 Lincoln Road to engage in a securities business. Officers are Gerald M. Menaker, President; Louis V. Vernell, Vice-President; and Stamford Pierce, Secretary-Treasurer.

#### Joins East Wisc. Trustee

(Special to THE FINANCIAL CHRONICLE)

MANITOWOC, Wis.-Edward J. Mau has joined the staff of East Wisconsin Trustee Co., 935 South Eighth Street. He was formerly local representative for The Marshall Co. and prior thereto was with First Securities Co.





the year as a whole, our business will show sales, we believe, within some 7% of 1957, which marked the highest annual sales in our history. It is expected that

the momentum should carry over into 1959.

In earnings, our experience parallels that of corporations generally, falling substantially below the 1957 level.

In periods of declining sales, profits are, as the U. S. Department of Commerce has pointed out, "much harder hit than other types of income." In our own case, lower harden are traceable to a decline is sales without a earnings are traceable to a decline in sales without a corresponding reduction in fixed expense, and to increases in employment costs.

Expenditures for the account of new plant and plant facilities in 1958 reached a record total of \$232,000,000, some 5% above the previous high level of 1957. Construction expenditures in 1959, however, are expected

to be about 10% less.

The custom of gauging the state of business activity in accordance with the unyielding requirements of the calendar always seems to me to impose a severe limitation on correct appraisal of conditions. In the business area, the most important factor is not the economic behavior over a period of months or quarters, but over years or decades. On this basis, it can be shown that our progress over the long term has been excellent and, if we can avoid war or other disruptions, it should continue to be satisfactory.

The Du Pont Company, with its long history, has survived every conceivable variation of economic climate. As a whole, the health and strength of the corporate body has been excellent. If its temperature had been taken on any given day or in any given period, however, the result might have been good or bad, prom-

ising or indifferent.

In the long term, on the other hand, any given decade or given quarter-century of the company's history reveals, upon examination, conditions much like any other similar period. The differences are largely those of degree. No period has been without its problems, its difficulties and its discouragements, yet none has been without the strength and determination to find adequate solutions. I would think that much the same thing can te said for any institution which has endured for any substantial period. So long as this continues, its future and that of the country as a whole can be faced with confidence.

#### PAT M. GREENWOOD

#### President, Great Southern Life Insurance Company

Nineteen fifty-eight, in my opinion, has followed rather closely the pattern that most economists predicted at the beginning of the year, that is, a continued drop in business through the first half with conditions improving

during the latter six months of the year. The result has been that most industries and most businesses have experienced satisfactory results with a minimum number of companies suffering devastating losses.

The life insurance industry has moved forward in most respects, our volume of sales has increased, lapses have been within reason, mortality has not been unduly excessive, and interest earnings on investments have been satisfactory in most categories and in most geographical areas.

There have been new trends developed in the marketing of insurance, including the extension of

coverage and the attendant new sales methods. There has been considerable expansion of multiple line and multiple company theory wherein life companies and fire and casualty companies are united as companion companies, offering all lines of insurance from one group of companies with related management.

The economic outlook is such that it appears the esent business momentum will carry well into 1959 carrying with it a reasonable prosperity for all lines of

Pat M. Greenwood

# Continued on page 58 TEXAS NATIONAL CORP.

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# Savings Bankers Predict Non-Boom Expansion

Representing 519 mutual savings banks from New York, New Jersey, Pennsylvania, Maryland, and New England, savings bankers collectively agree 1959 will show continued expansion without, unfortunately, any encouragement from plant-equipment capital outlays.

Continued economic expansion taining substantial reserves for in 1959, but less vigorous than in the safety of their depositors. recent months, was predicted by savings bankers at the December quarterly economic conference, sponsored by the National Asso-ciation of Mutual Savings Banks.

The conference, held in New York City, was attended by 21 savings bankers, representing the several geographical areas in which the nation's 519 mutual forces shaping economic growth. savings banks are located, including New England, New York, New Jersey, Pennsylvania and Maryland.

Gross National Product in the fourth quarter of 1958, the conference reported, will probably reach a record high of \$450 bil-lion. A note of disappointment amidst the general economic optimism, the conference pointed out, was the downward revision of about \$1 billion in third and fourth quarter estimates for plant and equipment expenditures. For the full year 1958, business outlays are expected to be 17% below the record \$37 billion of outlays in 1957.

The statement noted that increases in production have been general in all industries. Increases in output from the nation's factories and mines accelerated in November to 141% of the 1947-1949 average. The upturn in housing activity will probably result in total starts for the year of about 1.2 million, which compares with a little over one million for 1957 and the record high of 1.4 million in 1950.

The third favorable factor in the economy has been the peak level reached by personal income, making possible both high levels of spending and an increase in the annual rate of savings from 6.2% in the first half of 1958 to 7.2% of disposable income in the latter portion of the year.

#### Pleased by Higher Deposits

The conference further reported that through both the recession and recovery phases of 1958, the net increase in regular deposits in mutual savings banks was markedly higher than in preceding years. It was estimated that the year the net increase in total deposits wi'l reach the rec-ord high of \$2.5 billion. This trend toward increased savings is likely to continue into 1959, the conferees agreed, particularly if "inflationary fears do not become so widespread as to result in accelerated efforts at hedging." A record farm crop, rapid increases in productivity, excess plant capacity, and increasing foreign competition are some of the important anti-inflationary forces currently at work in the economy.

In their investments, savings banks are "likely to continue to look with favor upon mortgage loans." Commitments are about double those of a year ago, the conference reported, so that a continued large flow of mortgage funds seems certain for the next several months.

Mutual savings banks are watching closely the market for Government securities, and if the Treasury decides to compete on the basis of rate and terms with other capital market borrowers. savings banks may become net purchasers of Government for the first time since 1947.

Slightly higher average earnings for savings banks in 1959 was predicted at the conference. If earnings are, indeed, higher, the conferees agreed, savings banks will be able to continue their traditional policy of main-

The quarterly economic conferences for savings banks are or-ganized by the National Associa-tion of Mutual Savings Banks to provide the industry with current economic information on which progressive savings bank policy can be based and to contribute to a wider understanding of the

#### With J. A. Hogle Co.

(Special to THE FINANCIAL CHRONICLE) LOS ANGELES, Calif-Walter MacIndoe has become affiliated with J. A. Hogle & Co., 507 West Sixth Street. He was formerly with Dempsey-Tegeler & Co.

#### Mitchum, Jones Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. - Brice Toole, Jr. has been added to the staff of Mitchum, Jones & Templeton, 650 South Spring Street. He was fomerly with Hemphill, Noyes

#### Joins State Bond & Mtg.

(Special to THE FINANCIAL CHRONICLE) NEW ULM, Minn.-Richard C. Larson has been added to the staff of State Bond & Mortgage Co., 28 North Minnesota Street.

#### J. A. Hogle Adds

(Special to THE FINANCIAL CHRONICLE) LOS ANGELES, Calif.—Earl R. Young is with J. A. Hogle & Co., 507 West Sixth Street.

#### Lile Adds Three

(Special to THE PINANCIAL CE PASADENA, Calif.—Donald W. Eaker, Oliver F. Garner and Jean E. Schultz have joined the staff of Lile & Co., 1001 East Green St.

#### Two With Columbine

DENVER, Colo.—William E. G. Gollan and Robert H. Lundberg have joined the staff of Columbia. Securities Corp., 621 Seventeenth Street.

#### Two With Investment Serv.

(Special to THE FINANCIAL CHRONICLE) DENVER, Colo. - Mrs. Evelyn M. Bakke, and Philip N. Stewar have become associated with Investment Service Co., 916 Broadway. Mr. Bakke was formerly with Birkenmayer & Co. Mr. Stewart was with Carroll & Co.

#### Now With H. W. Peters cial to THE FINANCIAL CHRONICLE)

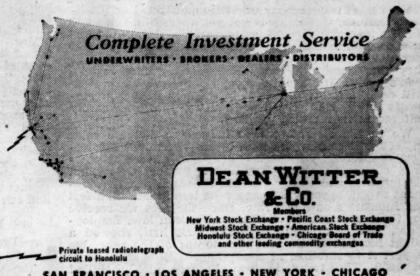
GRAND JUNCTION, Colo. -Mrs. Margaret K. Jones has be-come associated with Harry W. Peters, 610 Rood Avenue. Mrs. Jones was formerly local manager for Guss & Stead Co.

#### With Chicago Mutual cial to The Pinancial Chronicle)

CHICAGO, Ill. — Leonard M. Stenson has become associated with Chicago Mutual Investment Co., 8157 Cottage Grove Avenue. He was formerly with Shillinglaw. Bolger & Co.

#### With Burns Bros. & Denton

Colton W. Gilbert is now associated with Burns Bros. & Denton, Inc., 37 Wall Street, New York City, underwriters, distributors and dealers in investment se-



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#### COURTLANDT S. GROSS

#### President, Lockheed Aircraft Corporation

All of us in America today are keenly aware of the phenomenal speed with which scientific developments are materializing in many fields. They are bringing significant changes to the world we live in. Indeed, they have become the hallmark of

our age. Probably nowhere have these advances been more rapid and farreaching than in the nation's airspace industry, of which our com-pany is a member.

Beyond the obvious conclusion that 1959 will be a year of continuing and accelerating progress in the realm of flight, to attempt an accurate forecast of what lies ahead for our industry is somewhat risky.

Our national concern over defense, spurred by disclosures of undeniable Soviet strides in physics, in chemistry, in rocketry, and in space ex-

ploration, is on the increase. Several recent war scares —Lebanon, Quemoy, Berlin—are pointing up this concern and calling to our attention the need to prepare for limited as well as the possibility of all-out war.

Courtlandt S. Gross

It seems to me that foremost among discernible trends in the national defense effort is the probability that there will be fewer, but immensely bigger, major defense programs. I believe that the objective of the basic aircraft-missile companies such as Lockheed for the immediate time period ahead must be to assure ourselves of commanding positions in the increasingly complex weapon system field.

Rapid scientific and technological progress is leading our armed forces to even greater reliance on industrial teams to take on major responsibilities in developing more efficient weapon systems to strengthen free world defenses. We simply cannot get this defense job done unless aircraft-missile manufacturers display stronger leadership in putting together and guiding teams of companies both large and small with diversified skills.

In this connection I look for heightened activity in development of sophisticated space programs and intercontinental ballistic missiles. Our industry estimates that, barring unforeseen emergencies, government spending for missiles and military manned air vehicles in 1959 will remain at about the 1958 level. The spending for missiles and satellites will rise. For manned military aircraft the spending will decrease to some degree-and these purchases will be for fewer units from fewer companies.

Yet I must reiterate my conviction, affirmed on previous occasions, that there is not yet a substitute in view for the manned air vehicles to perform a multitude of necessary missions in worldwide commerce and national security. Missiles and satellites, wondrous as they are, cannot do everything. They cannot replace man's brain. We need now, and I believe we always will need, aircraft with men in them as important elements in a transportation industry that has rarely faltered in its forward progress.

We in the aircraft-missile industry anticipate sales in 1959 will continue at high levels—well over \$10 billion-bolstered by increasing deliveries of turbine-powered commercial transports and a broadening market for business and utility aircraft. Research and development expenditures will increase—a trend that will affect the industry's earnings rate, since the fees we receive for these contracts have historically been low. Employment, after decreasing in 1958's first half, showed slight increase in the last six months of the year. We expect it to stabilize at about 760,000 throughout most of 1959. The trend is toward more highly skilled personnel.

Real gains are to be had from this new Age of Space. They are gains to our earthly living. Our big problem, It seems to me, is to realize them-to put them to the service of man rather than to his destruction.

#### GEORGE GUND

## President, The Cleveland Trust Co., Cleveland, Ohio

Most businessmen today are feeling considerably more confident about their prospects than they were a year ago. At that time the nation was about half way through the 1957-58 recession. Manufacturers' new orders were

declining and production was being cut back. Now the reverse is true. Recovery got under way last Spring, and since then it has broadened to include virtually all the major in-dustries. One of the last to join the procession was the automobile industry, but recently it has been pushing forward vigorously in anticipation of a very substantial gain in 1959 over the low level of production and sales in 1958.

In my judgment the business upswing has acquired enough momentum to carry on from here. I venture to predict that total business volume

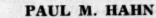
for the year 1959, as measured by the Gross National Product, will be George Gund around 8% above 1958. This opinion is based chiefly on the prospects of a fairly sizable increase in consumer incomes and spending, a further rise in governmental purchases of goods and services, a change from liquida-

tion to accumulation of inventories, and a modest ad-

vance in business outlays for plant and equipment.

The durable or "hard" goods industries as a whole suffered the greatest percentage drop during the recession. Conversely they will probably show the biggest rate of gain in 1959. That will benefit the Cleveland area, which is strongly represented in the manufacture of hard goods.

Periods of rising business normally bring an increase in the demand for bank credit. Loans of member banks moved up in 1950 and 1955, following the recession years of 1949 and 1954. The same pattern should be evident in 1959. This would include a rise in commercial loans, mostly for short-term business needs; in real estate loans to finance home ownership and construction generally; and in personal loans for instalment purchases and other purposes.



#### President, The American Tobacco Company

Tobacco has played a major and growing part on the American scene for 346 years. Today, for instance, the market for tobacco products in this country is estimated at 60,000,000 persons.

With a business of this size, it is easy to predict that competition within the industry will remain keen, that innovations in tobacco products will continue to be numerous. By the same token, it is difficult to foresee any basic change in our long-standing tobacco tradition in so relatively short a span as a single year.

In my opinion, two established trends in tobacco seem likely to continue. First is the increase in cigarette consumption, which again reached a new peak in 1958. Sig-nificantly, the current increase does not merely reflect an expanding population: it is a real increase, a

per capita increase. It indicates, that, now even more than in past year, the cigarette is part and parcel of the Amercan way of life. And it suggests that cigarette consumption will continue to achieve new highs.

The second trend is more difficult to describe, since it cannot be measured by numbers. This is the constant search on the part of the smoking public for perfection of product. It is this standard to which our organization has dedicated itself even since 1883, when our predecessor company perfected the first cigarette-making machine. A great deal of research-agricultural research, manufacturing research, quality control research—lies behind the everyday cigarette. Over the years this research, plus hard work on the part of farmers, leaf men and manufacturing people alike, have made the American cigarette the world's finest tobacco product.

Most of the milestones in our company's progress have traced to this continued concentration on quality of product—the "It's Toasted" process for Lucky Strike in 1916; the greater length and mildness of the pioneer king-size cigarette, Pall Mall, in 1939; the development of a new high in filtration for Hit Parade Cigarettes; and more recently, the unique tip developed in 1958 for Dual Filter Tareyton, a compound filter employing activated charcoal for proven mildness and a "balanced'

In the long run, improvements and advances such as these, designed to enhance the pleasure and smoking enjoyment of millions of people, will enable our company and our industry to prosper and grow.

#### H. FREDERICK HAGEMANN, JR. President, Rockland-Atlas National Bank of Boston, Mass.

The year 1958 was one of wide fluctuations in interest rates and bond prices, and also in general business conditions. In retrospect, the economy which was accelerating on the downside through April bottomed out

in May and has been recovering sharply since. Based on the Federal Reserve Board's Index of Industrial Production, we have recovered over 80% of the decline from the peak of activity in September 1957 of 144. The low on the index this year was 126 and the latest figure for November, 1958, was 141. The trend still seems to be upward as we move into

In last year's article we said in part, in a strong appeal for a sound national fiscal policy: "Now pressured as we may be by a business decline and intensified competition with the Russians let us not resort

H. F. Hagemann, Jr. to unsound economic procedures. For the Federal Reserve Banks to ease money to the extreme that they did in 1953 and 1954 and for the government to resort to deficit financing would be harmful to the encouragement of savings and capital formation and could start up the whole inflationary spiral again, repeating past errors. For us to resort to unbridled spending, unbalanced budgets, deficit financing and ultimate inflation as a solution to our problems instead of facing up to the facts of life would be playing right into Russian hands. Such a course, if followed, almost in-evitably would push us sooner or later into wage and price controls, material and labor allocations and forced savings. We would find ourselves adopting the Russian way of life in order to fight it. We would be helping to prove what some have contended, that when the chips

are down a democracy cannot discipline itself in spending and we would be giving evidence of our lack of faith in our own basic American principles.'

We now restate this appeal for fiscal integrity with the reminder that monetary inflations are started by governments, fostered by governments, and can be stopped by governments. In a representative form of government such as ours, inflation once started will not be stopped until the voters through their Representatives in the Congress demand that it be stopped.

We as a nation took the easy way out of the 1958 recession, and the evidence that we did so is the large increase in the money supply and the large current Federal deficit. The American Dollar, whether deserved or not, is under suspicion abroad and in some quarters here at home. The burden of proof now rests squarely on us, the American people, to prove to the rest of the world, and to ourselves, "that when the chips are down a democracy such as ours can discipline itself on spending." We have been telling other nations how to put their financial house in order, and now they are watching to see if we can abide by our own rules and take our

It is very significant that the people of Western Europe who have tasted the bitter disillusionment of continuing and extreme inflation are moving toward sound, old fashioned, conservative financial principles; while on the other hand, we in the strongest and richest country in the world, still seem to be possessed with the idea that we can get something for nothing, and still seem to believe that we can continue to live beyond our means and by so doing obtain lasting security and a sustained higher standard of living.

In conclusion, 1958 was a year marked by more economic confusion and sharper changes than most, and we begin the year 1959 with many of the perplexing problems still unsolved, but with the economy improving, and with inflation psychologically quite strong. Changes in the business and inflation climate, like changes in the weather, sometimes can be anticipated, but they always have to be met by those engaged in carrying on the nation's business. The principles at issue the stakes are high. This is certainly no time for complacency but a time for realistic thinking and sound action.



#### F. S. HALES President, Nickel Plate Road

The year 1958 began in a period of recession and ended in a period of recovery. Leading economists predict that business activity in 1959 will be at a moderately higher level than for the whole of 1958.

We on the Nickel Plate are optimistic about the future. Our house is in order, both financially and physically, and we expect to secure our fair share of the available busi-

Nickel Plate's operating revenues for the first 11 months of 1958 totaled \$128,740,000, a decrease

of 1958, and for the three-month period aggregated \$1.06 per share in 1958 compared with \$1.07 per share during the same months of 1957. Earnings of 31 cents per share in November exceeded for the first time in 1958, earnings for the same month in 1957.

To improve service to its shippers, Nickel Plate purchased in 1958, 40 additional Diesel electric locomotives and leased 30 such locomotives from another railroad to make possible the full dieselization of the system at the curernt level of business. Fifteen additional airslide covered hopper cars were acquired, 49 box cars were equipped with DF loading devices and 334 other box cars were equipped to provide special services. car repair facility was completed at Madison, Ill., and construction or modernization of facilities for servicing diesels was progressed at several terminals. An IBM 650 electric computer was installed late in the year for use in processing payrolls, revenue and disbursements accounts and statistics.

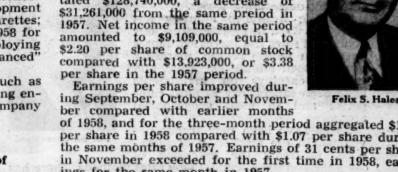
Delivery of 35 additional Diesel electric locomotives is scheduled for the first quarter of 1959. Additional airslide cars and equipment to expand piggy-back service will be acquired.

More and more use will be made of mechanized equipment to reduce the costs of railroad operations. Such equipment is being steadily acquired for the maintenance of roadways and equipment, materials handling and communications systems as well as for office work.

Passage by the Congress of the Transportation Act of 1958 and repeal of the wartime 3% tax on transportation of property have been heartening to the railroad industry. Especially gratifying was the fact that these measures received the overwhelming support of the members of Congress as well as the nation's newspapers, radio and television.

Railroad shareholders, employees, shippers, suppliers and other friends of the industry were helpful in bring-ing the plight of the railroads to the attention of the members of Congress and the public generally.

While the legislative program enacted by the Congress





Felix S. Hales



Drilling in Lake Maracaibo, Venezuela

# PURE hits oil 8 times in a South American lake

Our recently completed wells in Lake Maracaibo, Venezuela, are among the biggest potential producers we have anywhere... and more are on the way!

When you go all the way to South America to drill for oil in the middle of a lake, you take a risk. You can't avoid it. All you can do is make sure the risk is worth while and then go ahead.

When PURE and its associates (Signal, Sohio, and Hancock oil companies) took on a 43-square-mile concession

STRUM

r william

in Lake Maracaibo, they had two things in mind. One, they wanted new sources of oil to help them meet the needs of the 102 million cars expected to be on the road in 1970. Two, they believed the Maracaibo Basin to be the greatest oil reservoir in the Western Hemisphere.

The results? Eight successful wells have already been completed, and more are underway. Added to Pure Oil's more than 5,500 other producing oil wells, they'll help motorists to be *sure* with PURE for many years to come. Just as you can be sure today at any of the nearly 16,000 Pure Oil dealers in 24 states.

THE PURE OIL COMPANY, 35 E. Wacker Dr., Chicago 1, Ill.



does not provide for all of the equality of treatment and opportunity that the railroads need, it was an important step in the right direction. In recognition of the need for further action, the Senate passed a resolution authorizing its Interstate and Foreign Commerce Committee to undertake a broad study of transportation policies, with particular attention to the railroads. It is hoped further remedial legislation will follow promptly such study.

#### CHARLES W. HALL President, The Oneida National Bank & Trust Co. of Utica, N. Y.

As we look ahead into the year 1959 forecasting the outlook for business in general, we must quickly qualify any opinion with a reservation of world affairs. With this in mind, special emphasis must be made on

the Near East, West Berlin and the Asiatic countries. Any change from the present could bring great economic strain.

Utica is located in the heart of the Empire State and is a very busy industrial city. As you review what is making our community prosper, you quickly see that every area of economic life is making its contribution. We presently have a substantial amount of heavy construction under contract. New residential housing is being built in many areas long overlooked and most of this construction is in the medium priced field. Developers are active in well selected home areas and mortgage

money is available to meet all of these needs. Both types of construction are bringing full employment to the skilled tradesmen who are available to serve the build-

Charles W. Hall

ing industry.

In a related field of employment requiring many hands is the building of several miles of new arterial highways, which are scheduled for completion during 1959. In addition to the labor that will be required in the building of these highways there are substantial demands for all of the materials going into this type of construction, many of which are producing steady employment in this area.

Industrial emloyment will reflect in variable demands on the industries located in this area. We are privileged to have located in the general area many plants of national name organizations. Presently, some are making additions to their employment while others are holding employment at an even level. There are also some who are reducing employment due to seasonal factors or to model changes. Giving consideration to all of these conditions, looking into 1959 we are expecting a year of good results in industrial production requiring a high level of employment.

The outlook in retail sales for 1959 is encouraging. The Christmas holiday is bringing an excellent demand and inventory should be well reduced as merchants enter the new year. Here again, ample banking facilities are available for the financing of all of the instalment credit that is needed as merchants serve the volume of sales which make up an important part of their volume

on instalment credit. Agriculture is an important producer in this area and good crops along with a steady income from dairy products can be looked for in the year ahead.

Combining all of these factors, the general expectancy in this area for 1959 is-good business, good employment, with the qualifying reservation of circumstances unknown that are of world decision.

#### W. S. HALLANAN

#### President, Plymouth Oil Company

While the domestic oil industry enters 1959 under the burdens and uncertainties of an inadequate and unrealistic price structure, mounting costs, excessive imports and political threats against the depletion al-

lowance, the near-term outlook is considerably brighter than it was a

year ago. Then, as we entered 1958, the American oil producer's earnings were either non-existent or at the lowest point since the bottom of the depression of the '30s; the anticipated increase in demand had not materialized; inventories of crude oil and products were exceedingly burdensome with corresponding crumbling of the industry's price structure; the number of allowable producing days in the major oil producing states had been cut to the bone; and despite governmental ef-

forts to bring them within control, W. S. Hallanan imports continued to supplant rather than supplement domestic production. The outlook was indeed the bleakest the domestic oil industry had faced in the last quar-

ter of a century

The year of 1959 begins at the height of national economic resurgence with an increasing demand for petroleum products and with the industry's house in good order in the matter of inventories. While the price structure is still far from adequate to maintain a level of exploration and development consistent with our national defense, there is sound reason for the hope that this situation will be remedied through operation of the natural economic laws governing supply and demand. There is growing confidence that realism will outweigh

political considerations and forbid dangerous tinkering with the depletion allowance. There are also indications of a more satisfactory and workable plan of import control.

As for the long-term future of the industry, it is indissolubly linked with the economic future of America. In the light of the fact that the entire history of our country has been one of continual growth and expansion, it is not incorrigible optimism to believe that this for-ward march and the breaking down of new economic frontiers will be continued. Indeed it would be unwarranted pessimism to think otherwise.

It has been one outstanding characteristic of the oil industry that it has always been forward-looking. It has been prepared throughout the hundred years of its existence to meet every demand of peace and war because it has had confidence in America and its future and has kept itself in a state of readiness to meet an

ever-increasing demand.

America will continue to go forward, but it cannot move except upon a cushion of oil. I have every confidence that any industry which gambles on the future of this country will find its ultimate reward.

#### GEORGE W. HANSON

#### Treasurer, Atlantic, Gulf & Pacific Co.

The 1959 business outlook for the dredging industry depends largely on the release of remaining funds appropriated for the fiscal year ending June 30, 1959 and on the amount appropriated and released for the fiscal year beginning July 1, 1959. As we

stated in our letter last year, there are many harbor and channel projects with great immediate and potential benefits which have been studied by the Army Engineers, approved by Congress and which need only funds to get them under-

Our industry has long looked forward to the time when Congress would adopt a more realistic and uniform system of appropriating funds for harbor and channel improvements. Funds are made available in an erratic manner-on an up

and down scale leaning heavily to-ward the down side. This has a costly effect: the idle time of special and expensive equipment. The equipment of our industry was idle approximately 50 percent of the time during 1958. The care and maintenance of idle plant is expensive and, of course, is reflected in all-over dredging costs. Since it is undeniable that improved waterways add greatly in industrial and civic growth and low cost transportation it is difficult to understand why such improvements are not provided for adequately.

The Engineering News-Record stated recently, in an article titled MODERNIZE TRANSPORT IN ALL ITS FORMS, that "Even if a nation had thoroughly modern facilities for air, road and rail transport it would still need a fourth means of moving its products—by boats and barges. And the water transport facilities of the United States are by no means as modern as they should be. Here, too, a continuing job is in prospect in dredging ocean and lake port harbors, building new piers and deepening and straightening river channels and inland

The improvement of harbors and channels ranks high in the continuing development of our country. Every completed project is both a local and a national asset. adding strength to the nation. When a project is in progress a large volume of direct and indirect employment is furnished. When curtailed, unemployment follows and potential benefits lie dormant. The recession is not over. Many men sorely needing employment are still idle; a large number of them were employed in our industry. A better balanced program by Congress would alleviate the bottle necks in the dredging industry and provide more stable procedure for the future, both for the industry and the nation's waterways.

#### R. H. HAMMER President, The Globe-Wernicke Co.

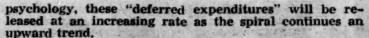
The closing weeks of 1958, in the office equipment industry, showed a stepped-up optimism and enthusiasm with a matching increased sales pace. This is a forerunner of what 1959 will bring forth. Many predictions

indicate an optimism for the first six months of 1959; however, I feel business will maintain a favorably high

level throughout the entire year. The current psychology is conducive to an upward trend. Business leaders are showing confidence by making concrete plans for expansion. This optimism has filtered from the top levels down. Overall, people as a whole are exhibiting a growing confidence. This mass psychology is gaining momentum and people are spending. I believe the willingness of people to spend is one of the most powerful factors being felt at this time. A second factor giving assurance of a favorable 1959 for the of-

fice equipment industry is the planned capital expenditures business and industry anticipate for the coming year. Because of the recessionary forces and the downward 1958 spiral, a pessimism pervaded management's thinking causing a "holding off" of expenditures for expansion or replacement programs. With the changed

R. H. Hammer



In the office equipment industry, we are feeling this healthy trend. As 1958 drew to a close, the volume of inquiries from established companies for information relevant to office equipment for replacement or expansion increased. Reports from dealer organizations confirm this pattern.

Because the trends are upward does not automatically guarantee for a business increased sales. To get an increased share will demand effort, planning, and concentrated efforts by line and staff alike. People must be encouraged to buy. Selling must become educative and scientific. Any business expecting to show a more profitable profit and loss statement simply because the trend is upward can well find itself in a precarious position during 1959. Concentrated and planned selling will make the difference between success and failure.

Today, management takes pride in its organization, its plant, and its offices. As regards office equipment, con-servatism has gone. The office is no longer viewed as a necessary evil, but the nerve center of the organization.
Today, management thinks of the working comfort of
employees and the public relations value of the impression the office makes on visitors.

The use of color in the office is gaining in momentum. Scientific studies have shown its value leading to greater efficiency and productivity. The use of more color is a growing trend.

Design goes with color. Equipment for both the private and general office is going in the direction of the "lighter look," a functional factor leading to greater efficiency. Color and design are becoming standards and a mark of progressivism for a business. For our industry, this thinking means a growing business.

Barring any diplomatic cataclysms or natural catastrophies, I see 1959 not as an isolated year of statistical facts, but rather as the beginning of a new progressive era of transition—possibly lasting five years—in which top management of business and industry will undertake accelerated programs of replacement and expansion.

For the office equipment industry, ample business will be there. The aggressive manufacturer with the planned, educative program and with the functionally designed products meeting the design and color requirements of the new electronic age will find 1959 the beginning of a boom period.



#### President, Harnischfeger Corporation

In view of the adjustment period ahead, I am a little hesitant to project my views with regard to 1959. However, our principal business is tied into the heavy industries and construction work. The heavy industries

have now been in a recession for over 18 months and personally I am inclined to believe that we are scraping the bottom and that there will be a steady improvement in the

As you know, crane inquiries are a barometer of expansion in industry. Many companies follow a procedure of requesting proposals for budget purposes at this time of the year but inquiries are not as high as they were a year ago. However, I still believe that there will be a larger volume of crane business placed than in 1958, probably about

10%. The same applies to the heavy mining industry. There are many old machines in this field and many of them are worn out. I believe that a 10 to 15% expansion through the

year is well within the realm of possibility. With regard to the construction industry generally such as highways and heavy construction, it is my opinion that there will be a larger volume let in this area due to the fact that the engineering in many areas is farther advanced as substantial progress has also been made in acquiring right-of-ways. We are looking forward to an increase of a minimum of 10 to 15% in this area.

lems in financing may develop in the course of the year due to our Federal fiscal problems.

Barring a steel strike, the steel industry should certainly expand 10 to 15% and our welder and electrode business will undoubtedly run along parallel lines.

We are also looking forward to a substantial increase in our diesel engine business due to the fact that our development program is farther along and the trend is very much in the direction of diesel power in order to reduce costs.

Due to the fact that there is excess capacity in many industries, I believe that competition will be extremely keen and the problem of building up earnings will require very concentrated effort and attention. Costs, I am certain, will continue to rise due to increased basic material labor costs.

very substantial deficit. This could only be altered by a substantial reduction in Federal expenditures as well as a probable sales tax. However, I am inclined to think that the political climate is not very favorable in this direction. The problem of inflation as well as labor pressures is unfortunately one of the most important problems confronting the country.





Home building should be good although certain prob-

Indications are that the Federal budget will show a



... a hand in things to come

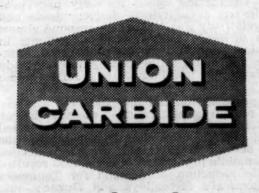
# Unlocking the secrets of the universe

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...a hand in things to come

#### HARRY F. HARRINGTON President, The Boatmen's National Bank, St. Louis, Missouri

This past year has been a period of very real challenge to business leadership. At the start of 1958 business was trending downward, capital expenditures for planned additions were being curtailed, and inventories were

being reduced. There was much talk of recession. Fortunately for the economy, personal expenditures continued at comparatively high levels, and cushioned the effects of the decline which reached its low point in the late spring.

Following this short but sharp decline, business began to evidence improvement, with the recovery led significantly by the construction industry. Most of the key business

indicators had turned upward by fall, and the year ended on a high note. The trend of interest rates and bank loans closely followed the pattern of the economy. Interest rates declined during the early part of the year, stabilized, and then increased during the fall period. The

prevailing a year ago. We look forward to the new year with considerable optimism, and feel that business improvement will continue well into 1959. Inventories are now at comparatively low levels, and inventory rebuilding will contrast with the inventory reduction of 1958. The three major manufacturing industries, steel, automobiles, and construction, should all show significant improvement. Expanding volume, coupled with recent cost reduction programs, should result in improved profit margins and earnings. Expanding business activity, with its resultant demand for credit, should increase bank loans. If interest rates continue at present levels, bank earnings should show modest growth.

average of interest rates, however, is still below the level

Inflation remains as a major problem. Inflation, or loss in purchasing power of the dollar, is in effect a hidden tax on fixed incomes, and it is hoped that we will face up to this problem realistically. The cost of living has remained fairly stable in 1958, and there is a measure of hope that inflation will be restrained in 1959.

In conclusion, we feel that by all standards 1959 will be a good business year.

#### ROBERT E. HARVEY Senior Executive Vice-President. Merritt-Chapman & Scott Corporation

There appears to be sound basis for confidence that in 1959 the economy as a whole will continue its present efforts to free itself from the dampening effects of the general business recession which characterized the early

months of the past year. The diversified industrial operations that comprise Merritt-Chapman & Scott Corporation will increasingly share in this steady improvement in the state of the nation's economic health.

By the nature of their operations, the industries of Merritt can be divided into two broad categories: long-term delivery operations such as those conducted by the Construction Department and its subsidiaries, and shipbuilding which is conducted by New York Shipbuilding Corpora-tion, Camden, N. J., a majority-owned M-C&S subsidiary. Shortterm delivery operations include those of Devoe & Raynolds Com-

pany, Inc., which manufactures consumer paints and industrial finishes, and Tennessee Products & Chemical Corporation which produces chemicals, fuel and ferroalloys. Both of these companies are majority-owned M-C&S subsidiaries. Steel fabrication is conducted by Milton Steel Division, at Milton, Pa. In addition to these operations, marine salvage and derrick heavy hoisting—traditionally associated with Merritt-Chapman & Scott—complete the roster of Merritt's activities in a widely diversified field of operations.

All of the industries in these two general categories are, of course, sensitive to changes in the overall economic climate. Operations which normally plan production schedules on a short-term delivery basis and therefore have relatively small backlogs, respond almost immediately to upward or downward movements in the level of business activity. On the other hand, long-term operations, while also influenced by movements in the economic level, do not immediately reflect these changes.

This pattern prevailed during the past year and can be expected to remain constant during the year ahead. In 1958, short-term delivery operations swiftly reacted to unanticipated cutbacks of production schedules in the industries they serve. For example, the sharp decline in steel and automobile production in early 1958 resulted in an immediate reduction of demand for Tennessee Products & Chemical's ferroalloys and Devoe's auto

Meanwhile, long-term construction projects absorbed some of the setback resulting from these curtailments, and continued to keep the company's construction operations at high levels of activity. Similarly, under the stimulus of requirements for naval and merchant vessels,

shipbuilding activities during the past year established

near-record levels of employment.

In the year ahead, it is estimated that new construction throughout the nation will exceed \$50 billion. This would set a new record. Approximately \$17 billion of this total is estimated to be spent on public works, and about \$8 billion on highway construction. Industrial construction, hard hit during the general business recession, is expected to show substantial recovery later in the year and, together with commercial construction, expected to account for approximately \$6 billion in 1959.

Assuming that further positive action is taken on both the Navy's extensive preparedness program and also on the acknowledged necessity for replacement of a large segment of the nation's mercantile fleet, shipbuilding activities in 1959 can be expected to set even higher

As indicated earlier, 1959 results of short-term industries such as steel, paints, chemicals and metallurgicals will depend on conditions in the various industries they serve. Realization of a production goal of 5,500,000 automobiles in 1959, for example, will be reflected in greatly improved results from operations in auto finshes steel and ferroalloys. During the second half of last year, results from these operations showed steady improvement over their recession-hit levels of early 1958. This condition can be expected to continue as the nation's industrial strength increasingly reasserts itself during the months ahead,

On balance, we anticipate that the economy as a whole, and the particular industries that comprise Merritt-Chapman & Scott Corporation, can view the months

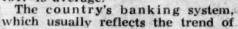
ahead with increasing confidence.

#### ROBERT M. HEARIN

President, First National Bank, Jackson, Miss.

An attempt to forecast the trend of business for an ensuing period should take into consideration the presently existing state of the economy. This is true because its strength or its weakness, as the case may be, will

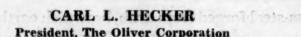
generally be projected, to some extent, into the period ahead. At the present time our trade area is experiencing the effects of the very definite change in business conditions from the moderate recession that was felt during the early part of the year. There is every indication that we will go into 1959 with business activity operating at a high level. The Federal Reserve Board Index of Industrial Production, which covers business generally, shows an advance on a seasonally adjusted basis of three points and is now 141% of the 1947-49 average.



business, continues to show satisfactory gains. Loan demands, at least in our area, are well above the same date last year. Bank deposits also show a very substantial increase, and net earnings are well above average.

Private housing operations continue strong. The same is true of public construction. Both are operating at a high level and the indications are that they will hold this position during 1959. The steady increase in consumer spending is reflected in increased banking activity.

Although there are scattered reports which tend to indicate that business activity is leveling off, there is nothing of a positive nature in the present situation that would seem to justify such conclusions. All signs point to the fact that the business recovery that has been under way since the middle of the year is sound and will continue well into 1959. This is especially true of our area where the Business Trend report of Rand-McNally & Co. for the sixth consecutive month lists Jackson, Miss. as the top community in its list of "The Best Ten." The December report gave Jackson a 16-point increase over the comparable period in 1957 and both Rand-McNally and Forbes Magazine cite it as the community in the nation showing the most improvement each month since last July.



We expect a growth in our volume of sales in most of the segments of industry in which we are represented in 1959. We do not believe that the expansion of our economy will be of boom proportions next year, but we do anticipate at least an increase.

Our major volume is in the farm machinery field. Continued good crops, along with high acreages due to the pattern of price supports, will still keep farm gross income relatively high. This will still be true even though farm prices may decline somewhat. In order to realize the maximum net farm income, the farmer must continue to explore every avenue of reducing costs. More powerful, efficient, and labor-saving machinery must be employed to meet that requirement. A sizable replacement market for farm machinery exists, since production for the last several years has been relatively low.

While these facts are true on the domestic scene, export volume, due to a shortage of dollars and lack of financial stability in many areas of the world, will continue to fall off. The only answer to this problem is an expansion of manufacturing activity in foreign countries where opportunity exists.

Housing and light construction as well as road building will increase in 1959. The equipment of our manufacture such as crawler and wheel tractors, along with allied equipment, will enjoy a splendid increase in those fields.

It is estimated that the soil and water conservation program will be larger than our roadbuilding program. Since we have a broad line of earthmoving equipment for that field, substantial growth in volume should occur

In the machine tool and conveyor fields, it is felt that the increased volume which we experienced at the end of 1958 is indicative of improvement in 1959 in the capital goods industry. While this improvement will be most gradual, the hydraulic and mechanical press field, as well as conveyor or material handling, is in the segment of most rapid expansion.

By more aggressive marketing and sales action, we feel that we can increase our percentage of the market in all of these products. Inventories in most cases are low. Our dealers' stocks need replenishment, as there has been good movement at the retail level in the latter months of 1958. Everyone today is fighting to maintain or even improve their margin of profit. The products which we build all contribute to lowering costs.

More aggressive engineering than ever before will be the watchword of 1959.

There will be an expansion of credit and in many cases an easing of terms to stimulate buying. Our record of low losses in receivables over the years may be cited

as proof of the wisdom of that policy. A continuous squeeze will be experienced on profits due to the large labor content of our products. We are experiencing continuous inflation in our country due to the gradually widening distance between the increase in the cost of production and the increase of productivity in American industry. We still lack the means to demonstrate accurately not only to the public but to our American worker and all of us engaged in industry, the deleterious effects of a labor increase formula tied to a cost-of-living index. Whenever increased costs become automatic, there is no incentive to reduce them.

It is to be hoped that the seemingly increased resistence to higher costs in all forms will be continued in 1959, with a result that the inflationary component of our costs will be minimized.

Surplus capacity still exists in most segments of American industry, and until that capacity is absorbed there can be no appreciable expansion of the capital goods industry.

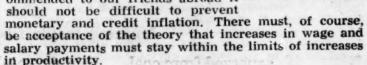
In summation, we feel that due to some improvement in our economy, greater market penetration on our part, better control of costs, and more consolidation of operations, 1959 will be a better year for us than 1958.



President, The Fifth Third Union Trust Co., Cincinnati, Ohio

The year 1959 should be a good one for business. Recovery from the recession is progressing at a satisfactory rate, even though at a little slower pace than at first. This may be a good thing. There are, however,

two economic factors which may make trouble. One is the extreme caution shown by a great many so long as plant and equipment expenditures do not exceed their previous rather extraordinary bulge in 1957. The other is the outflow of gold and the unbalanced budget, giving color to forecasts of extreme inflation. If demand for goods holds up, plant and equipment expenditures should be at very satisfactory levels and if our Government is willing to apply the remedies for a weak budgetary and trade position which we have so frequently recommended to our friends abroad it should not be difficult to prevent





G. Carlton Hill

#### ERNEST HENDERSON

President, Sheraton Corporation of America

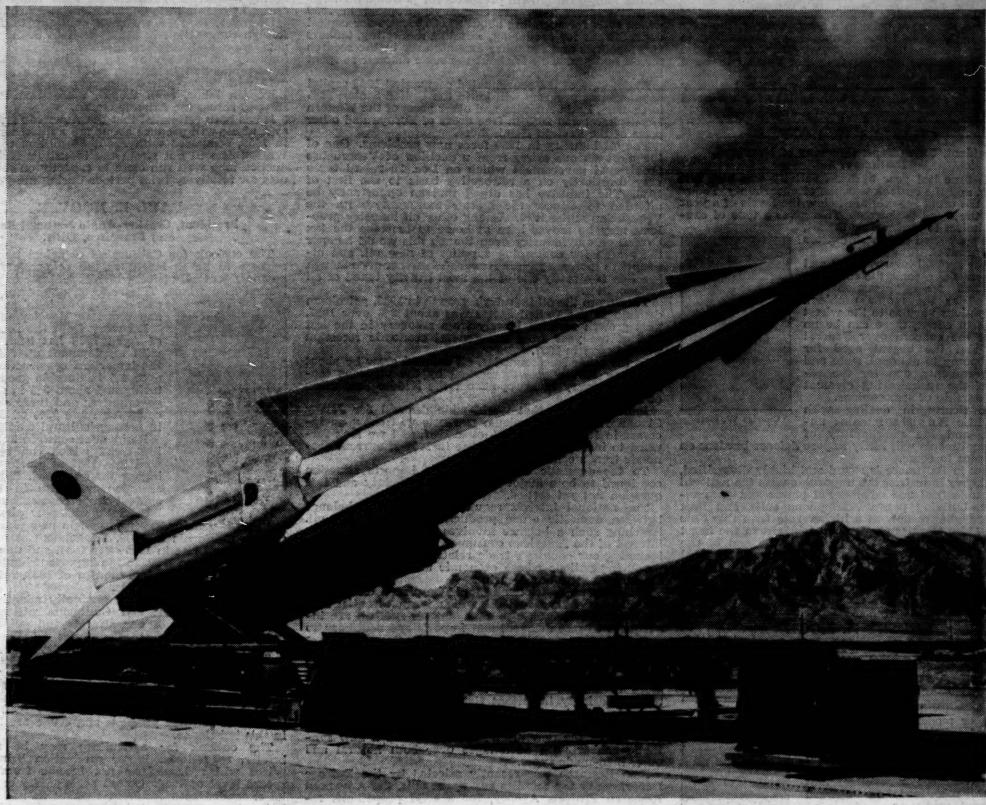
We are looking forward to a good year in the hotel industry. Hotel managements seem to be making a concerted effort to hold the line on room rates which have been increasing steadily since the very high occupancy

period of World War II when rent controls held room rates down and occupancy was correspondingly high. If room rates can be held reasonably in line, a rise in occupancy can be anticipated, particularly in the case of the larger hotel systems.

Some economists looking ahead have raised the question whether automobile production will reach expectations on the theory that business from this source will affect all commercial activity, including the hotel industry. It is our conviction that with strong security markets paving the way, a high level of automobile production is assured for 1959. Economists frequently stress the question of public acceptance to new models. Experience seems



to indicate that following a period of rising security



Lessons learned in developing steels for rockets and supersonic planes are bringing closer the time man can travel at four times the speed of sound.

# Steel research widens your world . . .

Everybody likes to look ahead, and that includes the people of United States Steel. Now under way in our Research Center, and in our plants all across the land, are projects that will mean a host of new steels to lighten your work...brighten your leisure... widen your world.

Among the interesting developments are the world's widest thin-gauge alloy and stainless steel sheets, "sandwich" rolled for defense missiles and aircraft through a new technique developed and refined by U. S. Steel. Another is a missile steel with a tensile strength level of 280,000 pounds per square inch, or six times greater than that of sheet steel used in automobile bodies and fenders. And still others are vinyl plastic coated sheets of beauty and durability, and patterned vitrenamel sheets in many colors for a wide variety of applications.

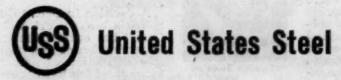
Building for the future is a vital part of our job. To give the nation more and better steels, we have spent almost four billion dollars since 1945 on the improvement of existing facilities and

the addition of others. And we are going right ahead, adding new facilities and improving existing ones, in the face of mounting costs and inadequate depreciation allowances.

Completed or begun in 1958 for increasing the efficiency and capacity of blast furnaces was the construction of four new sintering plants at Youngstown, O.; Saxonburg, Pa.; South Chicago, Ill.; and Gary, Ind. Other projects include a new pipe mill at Lorain, O., the most modern facility of its kind ever built, with an annual capacity of 237,000 tons; a new engineering building in Los Angeles; a new structural and blooming mill at South Chicago; a new slabbing mill at Gary; new primary and billet mills and another electric furnace at Duquesne, Pa.; new tin plate manufacturing facilities at Pittsburg, Calif.; a new coal cleaning plant in Utah; and the installation of auxiliary platemaking facilities at Fairfield, Ala.

Our investment in modern research and production facilities, we believe, is an investment in the future of everyone.

Watch THE UNITED STATES STEEL HOUR on television. See your newspaper for time and station.



markets the new models are always "accepted," and if security markets have been in a sharp decline, the new models usually seem to be "unpopular." According to this theory the question so frequently raised, as to the volume of automobile sales, does not appear to be a

serious problem in the coming year.

For this and other reasons, we have little hesitancy in predicting an excellent outlook in 1959 for the hotel

#### CHARLES W. HOFF

#### President, Union Trust Company of Maryland, Baltimore, Md.

At this time last year business activity was high but declining, and the outlook was one of uncertainty. Today many of the usual indexes are below the levels of a year ago, but the trend is upward. This gives a tone of cautious optimism to business sentiment,

which is supported by a rising gross

national product. With the general improvement and higher personal income the emphasis has shifted from "recession" "inflation" as the major problem. While opinions vary as to the wisest measures to adopt, there can be no doubt of the concern over Federal deficits and the urgent need for more economy in national, state and

from leadership of some unions. The difficulty in dealing with communistic Russia remains unchanged, and the unreliability of

city governments, and for the re-

moval of the racketeering element

us for years to come. Business in Baltimore is sound and highly diversified,

With the prospect for profitable employment of funds and services accompanying the business upturn, banks

#### ROBERT H. HOGE President, The Clark Controller Company

In the industrial control field many segments of our market have held up well during 1958. The primary decline occurred in the industrial control supplied to capital goods industries, particularly controls purchased in conjunction with new plant con-

struction or modernization and expansion of existing facilities.

Standard equipment and alternating current packaged control, which is sold broadly to general industries certainly suffered a decline, but definitely recovered an upward recovered an upward trend about mid-year.

Also, in the last quarter, increases in purchases have been indicated for special applications in capital goods industries.

However, it would be my opinion that it would be a mistake to expect a sudden rise in control buying during 1959. We look for a continued increase in the standard

products for general industries and spasmodic buying for the capital goods industries, nevertheless, showing a gradual average rise from the lows reached during 1958.

We operate in two attitudes: we govern most of our actions, where practical, with a very optimistic outlook for 1959, but as a matter of degree we really cannot expect that, relative to recent peak years, substantial business in industrial control for capital goods industries will be enjoyed prior to the beginning of 1960.

#### **EUGENE HOLMAN**

Chairman of the Board, Standard Oil Co. (New Jersey)

Improvement which took place in our business in the last half of 1958 is expected to continue into 1959. The prospect of an increase in U. S. demand for

petroleum together with a rising demand in other free world areas, makes the near future outlook for demand more optimistic

than at this time last year. We expect that a continued rise

in general business activity will result in a new high for petroleum demand in the United States, possibly amounting to about 5% over 1958. In the rest of the free world, too, the industry growth rate should accelerate, and we are looking there for about an 8% increase in 1959.

We believe our product sales volume will rise again in the coming year as it did in 1958 by reason of the vigorous marketing programs now being carried on by the companies affiliated with Jersey, but profit-margins have been squeezed.

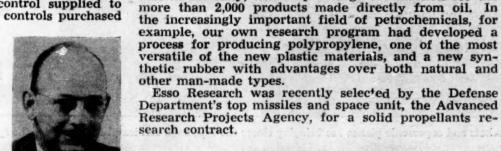


Charles W. Hoff

their commitments will likely impose defense burdens on

and our heavy industries are improving with the national pattern. Industrial and commercial power and gas consumption, building permits, telephone calls, and Post Office receipts are now at a higher rate than this time last year. The Charles Center development in the heart of our business district will begin by the end of the year, and this program will stimulate our entire local

may expect another good year in 1959.



Robert H. Hoge

ery, but increasing business activity may be expected as the year advances. The extent of the increase in steel production, and the nature of the

However, it is doubtful that a boom

will develop in 1959. It is already

apparent that there has been a

slowing down of the rate of recov-

products which will be affected, can be foreseen to some extent. It is believed that the auto industry will be in the market for substantially heavier tonnages of steel; the coldrolled sheets and other forms of steel they use are products of Bethlehem's Lackawanna and Sparrows Point



It is anticipated that an upward trend will develop in the demand for structural shapes and plates, and of forgings. Bethlehem Steel makes these principally at its Bethlehem, Sparrows Point, Lackawanna, and Johnstown plants. For one thing, the Interstate highway program should call for more production of structural steel and other steel products used in highways than in 1958. However, a substantial increase in demand for heavy steel products will depend largely on how soon U.S. industry returns to the high level of capital spending of recent years.

The confidence of Jersey Standard and its affiliates

on the long-term growth prospects for petroleum energy

is best expressed by the company's program in 1959 which calls for spending about \$1,000,000,000 for capital

expenditures for producing, refining, marketing, tankers and pipelines and for other expenditures in the seearch

for oil and gas. This is about the same amount as spent

About 42% of the consolidated companies' 1959 capital expenditures program will be in the United States; 32%

in Canada, Latin America and other parts of the Western

Hemisphere; and 26% in free areas of Europe and other

the most serious arises from a decision of Venezuela's

provisional government which on Dec. 20 raised taxes very drastically on a retroactive basis to the first of

1958. The industry has urged that an opportunity be afforded to discuss the matter thoroughly with the

Venezuelan authorities. Among other oil industry prob-lems may be moves here at home to increase the tax

burden on our industry even though this would hamper the search for continuing supplies of new oil, and at-tempts to increase gasoline taxes still further even though

gasoline is already one of the most heavily taxed of all

Turning to the oil industry's growth in 1958, petroleum

demand in the United States was about 2% over 1957. This growth resulted largely from recovery in the last

half of the year from the general economic recession

7% over 1957 a growth marked by the vigorous economic recovery in Europe from the Middle East crisis

In the other free countries, oil demand grew by about

Indications are that world-wide demand for Jersey

Standard's major petroleum products will show an in-

crease in 1958 of about 4% over 1957, and we look for-

ward to increasing sales volume in 1959 if current eco-

continued to be a major source of uncertainty and is a

between domestic crude production and imported oil.

Reaching such a balance involves consideration of the

interest of the American consumer and national security

including our country's trade relations with foreign oil-

producing nations whose economic and political health

Certainly no restrictions should be placed on the importation of heavy fuel oil which is an essential fuel

for industry. Domestic sources of their fuel oil are in-

adequate to met demand, and imports are necessary to

We are confident that the petroleum industry's expanding research effort, now totaling more than \$300 million annually, will help enlarge the markets for the

ARTHUR B. HOMER

President, Bethlehem Steel Company

In 1959, business activity should continue its recovery

from the recession of 1958, and I am confident that

Bethlehem will receive its full share of the substantially

increasing orders for steel which should materialize.

overcome what would otherwise be a shortage.

To the domestic oil industry the imports situation

The national interest requires a reasonable balance

The oil industry in 1959 faces new problems. One of

last year for these purposes.

commodities.

of 1956-57.

which began in 1957.

nomic trends continue.

question not yet settled.

are important to our security.

parts of the Eastern Hemisphere.

A decision in Dec., 1958, by the Supreme Court, overruling a lower court decision in the so-called "Memphis Case," has opened the way for a considerable increase has opened the way for a considerable increase in production of line pipe and other steel products used in construction of natural gas pipelines. Much of the tonnage which Bethlehem sells is produced at our Sparrows Point and Steelton plants.

We expect a considerable increase in sales of steel

to the railroads and to the mining, quarrying, and lumbering industries. Products for these markets are produced at our Johnstown, Steelton, and Lebanon plants.

However, in 1959 we shall continue to face strong foreign competition in the eastern U. S. on wire products, pipe and reinforcing bars. Wages in the steel industry are already among the highest paid n U. S. mass-production industries, making it difficult to compete with lower-priced products made by lower-paid European labor, even though these products must be shipped across the Atlantic Ocean.

It has been estimated that the American steel industry as a whole will produce about 110 million tons of ingots in 1959, compared with about 85 million tons in 1958. While this will not strain the industry's facilities, production may well run close to capacity on certain products for relatively brief periods during the year.

#### PAUL E. HOOVER

# President, Crocker-Anglo National Bank, San Francisco, Calif.

The outlook for California's principal banks in 1959 appears to be as bright as the economic forecast for business generally here, which is superior to that for the Nation as a whole. This reflects, of course, our higher

rate of growth both in population and economic development.

Recovery from the recession lows of April 1958 has been impressive with employment up some 12% in the important construction industry, over 4% in durable goods manufacturing and about 3% in services and government; and these activities account for some 55% of the 4,500,000 in non-agricultural employment.

Residential construction is in a rising trend which can be projected well into 1959 at a rate 5% to 10% higher than in 1958. Highway construction will rise in 1959, as is evident from contracts already set. Inquiries about new plant locations

indicate a sustained rising trend in new plant construction in California in 1959. Department store sales will show a small rise in 1958 over 1957, and this trend may be projected into 1959. In the important lumber industry prices firmed in the late months of 1958, reflecting rising demand and shipments.

Paul E. Hoover

The aircraft industry is gradually adapting itself to missile development and California will continue to produce the bulk of our aircraft and guided missiles. Increased emphasis on electronics is stimulating the growth of an important new industry in both the Los

Angeles and San Francisco areas. The oil industry continues to be faced with major problems that stem from a greatly increased supply in relation to a more slowly growing demand. Imported natural gas that replaces oil as boiler fuel, as well as imports of finished products and crude are both factors in this imbalance.

The outlook for agriculture may be summarized briefly, as follows: larger production bringing lower prices will reduce farm net income from the nearrecord level of 1958. Cotton acreage, for example, will be expanded as a result of changes in national policy, but prices are expected to decline from the support levels of recent years.

The consolidation period starting in mid-1957 was completed by mid-1958. The resumption of growth trends in the latter half of 1958 can be projected well into 1959. California's economy should attain new peaks in many areas in 1959.

#### PERCIVAL S. HOWE, JR. President, The American Thread Company, Inc.

As is widely recognized, the Textile Industry has experienced a long period of recession, especially in comparison with other major industries. Improvement is long overdue and, in some measure, may be expected in 1959, assisted by the anticipated

general business revival. The Textile Industry, however, is divided into so many components that generalization is inconclusive. Specifically referring to the Thread Industry, the outlook for increased volume is enchanced by an expected higher level of actiity on the part of its widely diversified range of customers, by the probable increase in expandable income, by the high level of new household and family formation and by the tendency to rebuild depleted inventories.

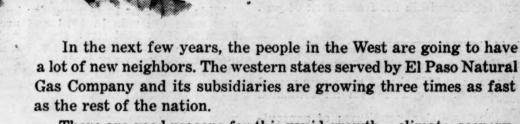
The adverse influences upon both profit margins and volume are the

Percival S. Howe, Jr.

intense competition for the con-sumer's dollar, as evidenced by the declining trend in the per capita consumption of all textile fibers, the continuing impact of adjustment to governmental cotton policies and, perhaps most important, the expanding competition from the importation of apparel items, which is encouraged by United States foreign policy. The Textile Industry is not alone in this. Time was when American industry could partially offset low foreign competitive wages through the use of better machinery and production methods, but recently foreign competitors have adopted efficient techniques and their



# LIFELINES for TOMORROW in PIPELINES planned TODAY



There are good reasons for this rapid growth — climate, scenery, a dynamic economy. New businesses are starting, old businesses are expanding.

Spurring this progress are energy supplies — natural gas, liquid petroleum, water power and solid fuels. They fuel business machinery, heat homes, power mills, provide the basic essentials for the comforts of life.

Today, natural gas is the West's fastest growing source of energy. Use of natural gas is expected to rise an estimated 86 per cent in the decade ending in 1966.

It's our job to see that the West gets that gas. We are constantly searching for new reserves, developing them and then building the pipelines to deliver the gas to distributors and industries, from wells hundreds of miles away.

This effort pays off in the assurance that years in the future—even with demand growing at a record pace—the West will have the energy supplies essential for continued growth.

# EL PASO NATURAL GAS COMPANY

Common Stock listed on the New York Stock Exchange, Midwest Stock Exchange and Pacific Coast Stock Exchange.

Registrars: New York, City Bank Farmers Trust Company; Chicago, The First National Bank of Chicago.

Transfer Agents: New York, The Chase Manhattan Bank; Chicago, Continental Illinois National Bank and Trust Company of Chicago.

extremely low wages are more than sufficient to offset

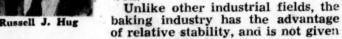
the decreasing import duties.

Evidence of the scope of this competition is indicated by the importation from Japan alone in the two months of August and September, 1958, of 480,614 dozens of garments and 1,045,307 pounds of other apparel items unspecified as to type. Apparel items are also pouring in from Hong Kong, at the rate of over 150,000 dozen monthly, and to a lesser extent from other countries. This imposes a serious threat to the Thread Industry and its customers. It is hoped that governmental policy will be altered before the scope of the damage is widened.

#### RUSSELL J. HUG President, General Baking Company

Barring unforeseen disturbances in the labor and raw materials cost picture, the year 1959 shows every indication of being the most satisfactory in the overall baking picture. Throughout the past year, the plateaus reached

and maintained through a hectic economic adjustment period, resulted from the natural leveling effect of multiple forces from within the national economy's adjustment. Staggering increases in the growth of our population assure a continuing volume demand for Bakers' Products and, while these effects from population increase are insurance for the baker, these same increasing demands for his 'products guarantee continuing intense competition as well.



to reflecting sudden dips within its economy.

Bread and other baked products, because of their relative nutritional and taste values, will always enjoy a strong demand from every segment of the population. Despite the apparent advantages, however, such as industry stability, growing consumer rate and steady product demand, the baker is always faced with relatively low profit margins and is, therefore, not prone to expressions of excessive optimism as he faces each

Our company has confidence in the future of its earnings because of our having faced every possible kind of fluctuating market condition throughout the past, and also because we remain alert always to meet new and previously unseen demands from our consumers.

The future looks good for the baker, but the baker's optimism is leavened, with caution and recognition of the need to maintain high quality level, while continuing to operate at low profit margin and, therefore, his optimism must always appear within the framework of past experience.

#### H. E. HUMPHREYS, JR.

Chairman, United States Rubber Company

Rubber industry sales in 1959 should set a new record of more than \$6 billion compared with an estimated \$5.5 billion in 1958.

U. S. Rubber plans capital expenditures of approximately \$30 million in 1959 compared

with \$25 million in 1958.

The four principal reasons for my optimism are: First, the industry faces a rising economy for 1959, a sharp contrast to the recession faced for 1958; second, the market for replacement tires is growing; third, there is a revival in demand from automotive manufacturers for the products which the industry makes for new cars; fourth, markets are expanding for the industry's chemicals, plastics and other products.

Passenger car, truck and bus tire sales will total about 103 million units in 1959 compared with an estimated 94 million units in 1958. Of

this total approximately 90 million passenger car tires will be sold compared with 82 million in 1958. Truck and bus tire sales will total about 13 million units next year compared with 12 million for 1958.

Replacement passenger tire sales should set a new record of approximately 61 million units compared with 59.5 million in 1958. Original equipment tire sales will depend upon new car production next year, which is almost certain to total 5 million units and could be

substantially higher. The automotive industry buys approximately 12% of the rubber industry's output and renewed automotive demand will boost sales not only of tires but many other rubber industry products which go into new cars such as foam rubber, mats, windlace, hose, plastic-coated and other fabrics for upholstery, and a growing number of plastic items for interior trim.

Sales of industrial rubber products follow closely the Federal Reserve Board Index of industrial production and industry's capital expenditures. With increases forecast in both of these categories, the rubber industry can look forward to improved sales of conveyor belts, hose, packing, power transmission belting and other industrial rubber products.

Rubber consumption by American companies in 1959 will total better than 1.5 million tons, very close to the industry's all-time high of 1.53 million tons reached in 1955. An estimated 1.35 million tons were consumed in

1958. About 65% of domestic rubber consumption next year will be synthetic while the remaining 35% will be natural.

Synthetic rubber consumption is rising rapidly abroad. Approximately 380,000 tons were consumed by free for-eign countries in 1958. This figure can be expected to rise to more than 500,000 tons in 1959, or about 28% of total free foreign consumption next year.

Much of the foreign increase is due to expanding for-eign synthetic rubber production capacity. Italian, English and German plants came into operation late this year and French and Japanese plants are scheduled to start production in 1959.

Our company expects to increase its industry share of replacement tire sales in the new year. Sales of our new premium tire, the U.S. Royal Master, are currently running well ahead of what they were a year ago. And the outlook for 1959 looks still brighter because of the tire's advanced features plus an expected increase in new car sales.

A promising area for future growth lies in the field of plastics where we are both a manufacturer of raw materials and a fabricator of plastics products.

The manufacture and use of plastics is rising so rapidly within the company that the word "rubber" in our name does not adequately describe the scope and versatility of the company's production. Plastics are in the forefront of the company's expanded research and development program which calls for an expenditure of more than \$120 million during the next five years. Of this total about 20% will be spent for research and development of plastic raw materials and products.

#### JOEL HUNTER

#### President, Crucible Steel Company of America

The improved specialty steel business which began in the fall of 1958 continues as we enter 1959. The increase in our business reflects the cessation of customer inventory liquidation and a return to buying for current



Joel Hunter

Past experience suggests that customers will start adding to their inventories as business conditions improve and delivery time is extended. In the first half of 1959 buying policies will be influenced by the mid-year expiration of the steel industry's three year labor centract, and the possible cessation of steel production if a strike should occur. Our business should be at high levels in the first half, with some uncertainty thereafter. The most important consideration will then be the activity of customer industries.

Wide variations in demand for individual steel products were the rule in 1958 and are likely to prevail again in 1959. Tool steel, for example, in 1958 had its poorest year in nearly 10 years, but is expected to have a substantial recovery in 1959. Likewise, industry shipments of seamless pipe for the oil and gas industry (for which we supply semi-finished steel) declined nearly 60% in 1958. Oil and gas drilling were off less than half this much, and we anticipate an improvement in this business in 1959.

Stainless steel gave an excellent account of itself in the recession. It was one of the few steel products to do better in 1958 than in the 1954 recession. Going back further, stainless shipments in 1958 were approximately 75% higher than in the 1949 recession as compared with a gain of about 5% for all types of steel. This showing is noteworthy considering that one of the largest stainless markets is automobiles, and 1958 passenger automobile production was more than 15% below 1949. Stainless will continue to grow faster than steel in general. 424,72278

#### PETER F. HURST

#### President, Aeroquip Corporation

There are strong reasons to believe that well managed companies in our industry will report substantially improved sales and net earnings in 1959.

Increasing evidence gives credence to the conviction that the capital goods industries, which make up our markets, are sharing fully in the upturn in general business that is in prospect for

Growth of Aeroquip's operations will come from an expanding need for the best in flexible hose lines, detachable reusable fittings, specialized clamps and couplings, straps and cargo handling and tie-down equipment in such currently favored fields as jet aircraft, rockets and guided missiles.

Another strong demand factor rises from the trend toward automation in the nation's factories bringing about more complex machinery and equipment.

Looking at the scoreboard, it is encouraging to note that Aeroquip's order backlog is currently close to the high levels of recent years and we anticipate a further build-up in backlog in some of our operations.

Peter F. Hurst

Helping out in 1959 will be the fact that a number of companies, including Aeroquip, initiated major cost-cutting measures during the 1957-1958 recession. This Continued on page 68

means that, as sales rise, earnings should move up at an even faster rate.

Our sales forecast expects business volume in 1959 to be close to the company's all-time sales record achieved in the fiscal year ended Sept. 30, 1957.

Looking at the overall picture of U. S. industry, the breadth and strength of the upturn has more than lived up to most expectations held a year ago. By October 1958, the Federal Reserve Board's seasonally adjusted index of industrial production had retracted over 60% of its decline from August 1957. Also in October, the value of manufacturers' inventories (seasonally adjusted) held steady for the first time in over a year, following successive month-to-month declines since August 1957. Sales by all manufacturing concerns in October (seasonally adjusted) showed a continuation of the upward trend that has taken place since April

These are encouraging signposts for all sections of the

Aeroquip enjoys the further advantage of being in a growth industry. New and varied hose lines, fittings, specialized couplings and related products are introduced in or field each year in answer to the requirements of the continuing revolution in industrial technology. The individual company in our industry which stresses engineering research and inventive development will find the expenditure of time and money a worthwhile investment. At Aeroquip we have consistently placed strong emphasis on these activities, even in periods of reduced business. As a result, I feel certain our future growth is assured.

#### LAWRENCE A. HYLAND Vice-President and General Manager Hughes Aircraft Co.

Introduction of four new systems geared to defense projects helped to increase our company's annual sales to nearly \$500,000,000 in 1958. This record solidly establishes the company as a national leader in the field

Lawrence A. Hyland

of electronic systems development, production and management. For the first time, the company is producing defense systems for the Army and Navy as well as the Air

We have expanded the company's commercial products operation and signed agreements with both Japanese and Canadian sales representatives preparatory to entering inter-national markets in 1959.

The new systems unveiled by Hughes as production items in its California and Arizona plants during the past year included: (1) MA-1 airborne integrated con-

trol and armament system which flies a supersonic F-106 all-weather jet interceptor through all phases of airborne combat from take-off to touchdown, leaving the pilot free to make the necessary tactical decisions. MA-1 incorporates Digitair, the first production airborne digital computer effectively performing all necessary functions associated with flight, navigation, search and attack on interceptor missions.

(2) "3-D" Radar—A new "three dimensional" radar which detects airborne targets at extreme range and for the first time simultaneously computes distance, bearing and altitude was developed for the U.S. Army Signal Corps at Hughes' ground systems plant in Fullerton, Calif. Called Frescanar, the new radar has been de-scribed as the eyes of "Missile Monitor," an Army air defense guided missile fire distribution system for use with a field army.

(3) Super Falcon-The latest member of the comany's Falcon guided missiles—the Super Falcon—the GAR-3 is a supersonic guided missile that climbs higher, flies faster and has greater range than any of its predecessors, and "represents a powerful deterrent to air-borne nuclear attack against American cities," officials said. It is being produced at Hughes' Tucson, Ariz., plant.

(4) Machine tool controls - An automated all-electronically controlled line of machine tools t greatly speed up production of guided missiles and other defense items was introduced. The line, operated from punched tapes and controlled by transistorized digital computers, produces vital parts for the Hughes electropic armament control systems made at the El Segundo, Calif., plant.

Development of new Hughes' systems coincides with the belief widely held in military and industrial circles that the manned bomber will continue to be the greatest threat to American security for the next decade, and that effective defenses against it during that period will be a calculated mixture of the airborne man-piloted all-weather jet interceptors-and surface-to-air missiles.

With a production background of more than 11,000 electronic armament and control systems and thousands of Falcon missiles, each a system in itself, we are currently moving into a modern new plant at Fullerton, Calif., where ground radar systems are to be manufactured. The shall be will be the

Additional expansion for 1959 includes completion of remodeling of a Newport Beach, Calif., facility south of Los Angeles for development and production of silicon and germanium diodes and transistors.

## J. B. Carter With **Lehman in Houston**

HOUSTON, Tex. - Lehman Brothers announced that John B. Carter Jr., prominent in Southwest business affairs, has become associated with the firm. He will make his headquarters in the Bank of the Southwest Building.

Mr. Carter is a director of the Texas Fund Management Company, Hill & Hill Truck Lines Incorporated, Consolidated Products, Inc., and the American Marine Corporation of Delaware.

He has been an independent financial consultant and oil operator for the past seven years, prior to which he was President of Texas Financial Management Company.

## **Bank Credit to France**

A group of American banks, headed by The Chase Manhattan Bank and the First National City Bank of New York, have agreed to place a \$200,000,000 stand-by credit at the disposal of the Republic of France to be used eventually as a reserve fund to contribute to the stabilization of the French franc.

John J. McCloy, Chase Man-hattan Chairman, said on Jan. 2 that the credit covers a maximum period of two years and may be drawn upon as deemed desirable by the French Government. The Chase Manhattan Bank will act as agent for the credit on behalf of the managers.

News of this credit followed the announcement by French Finance Minister Antoine Pinay that his government had received "large scale" financial backing from several European central

## **Allen Group Sells United Asbestos Stock**

Allen & Co. on Jan. 9 headed a group of investment bankers offering publicly 500,000 shares of United Asbestos Corp. Ltd. capital stock at \$6.75 per share. This offering was quickly oversubscribed and the books closed.

Net proceeds from the sale of the stock will be used for general corporate purposes, including the possible acquisition of additional mining properties, and for further exploration and development of present properties.

United Asbestos Corp. Ltd. was incorporated in 1948 under the Quebec Mining Companies Act of the Province of Quebec, Canada, to engage in the exploration, development and operation of mines, mineral lands and deposits. Since its organization, the company has acquired various mining properties including mineral rights near the town of Black Lake, Quebec in the heart of the district which produces about 60% of the world's supply of raw asbestos. Under a joint mining venture with American Smelting and Refining Co., through which that company took title to the Black Lake properties, United Asbestos is entitled to receive a share of the net proceeds from sales of asbestos produced at the Black Lake properties. The bringing of the Black Lake properties into production required a capital outlay by American Smelting and Refining Co. of about \$35,-000,000. In addition to its interest in the Black Lake properties, the company owns other mineral rights of undetermined value.

United Asbestos Corp. Ltd. has no funded debt and upon completion of the current financing, outstanding capitalization will con-sist of 4,312,000 shares of capital stock, \$1 par value per share.

Associated with Allen & Company in the offering are: Francis I. duPont & Co.; Blair & Co. Inc.; A. M. Kidder & Co., Inc.; McDonnell & Co. Inc.; and Golkin & Co.

#### Form Liberty Financial

Liberty Financial Corp. has been formed with offices at 350 Fifth Avenue, New York City, to engage in a securities business. and Secretary; and Walther A. Friedlaender, Vice-President.

#### Two With First Trust

(Special to THE PINANCIAL CHRONICLE) LINCOLN, Neb. — Jerry C. Stirtz and Lyle D. Wurtz are with First Trust Company of Lincoln, 10th and O Streets.

# Birr & Co., Inc. **Formed on Goast**

SAN FRANCISCO, Calif.—Birr Officers are James J. Colt, Presi- & Co., Inc. is being formed with dent; S. S. Colt, Vice-President offices at 155 Sansome Street, to act as underwriters, brokers and dealers in securities. The new firm will be a member of the Pacific Coast Stock Exchange.

Officers are H. T. Birr, Jr., President; H. T. Birr III, Vice-President; M. Skaife, Secretary-Treasurer; and Robert R. Birr, Assistant Secretary-Treasurer.

H. T. Birr, Jr. was formerly Street.

with Bankamerica Company, First California Company and Walston & Co. H. T. Birr III and Robert Birr were with Eastman Dillon, Union Securities & Co., First Cali-fornia Company and Walston & Company. Mr. Skaife was with Dean Witter & Co., First Cali-fornia Company, and Walston &

#### Joins M. C. Yerke

(Special to THE FINANCIAL CHRONICLE) COLUMBUS, Ohio - Russell L. Click is with Marvin C. Yerke & Associates, Inc., 40 West Broad Joins F. I. du Pont

(Special to THE FINANCIAL CHRO ST. LOUIS, Mo. - Hard Courtney has joined the star Francis I. du Pont & Co., I chants Exchange Building. was formerly with Reinholdt

#### With L. W. Chamberlain

(Special to THE PINANCIAL CHRONICLE) RED WING, Minn,-Le Roy Kuhlmann has become connecte with L. W. Chamberlain & Co Inc., 315 East Avenue.



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> **United Fruit Company** General Offices: 80 Federal St., Boston 10, Mass.

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#### CHAS. E. IDE

President, The Toledo Edison Company

During that period the KWH sales of the Toledo Edison ompany to our total manufacturing customers shows a crease of 5.6% under the same eleven months of 1957. e non-manufacturing classification which includes

ailroads, public warehouses, piers & ocks, petroleum pipelines, depart-ent stores, hospitals, etc., shows a crease of 1.1% under the first 11 onths of 1957.

Total industrial sales are down In the manufacturing clasfication the only industries to show creases are food, chemical and etroleum refineries.

For the same eleven-month period ne total operating revenue of the oledo Edison Company shows an inrease of only 6/10ths of 1% over the omparable period of the previous

The results I have described are ue largely to the industrial receson which took place, particularly in the automobile nd other heavy industry.

Strikes have taken their toll of industrial activity as ell. There has been some pick-up during recent weeks, ut hardly to the extent that had been hoped for.

Competition is keener. Foreign competition is taking toll in certain lines and it remains yet to be seen hat the automobile market for the coming year will be. The manufacturing and sale of electric appliances eems to be showing a good recovery. Home building hows a slight improvement and there will be some comnercial building.

This company anticipates an increase of total operating eyenue for the coming year of approximately 6% which considerably less than we had in the past been accusmed to normally anticipating.

The Toledo Edison Company's construction expendiires for the year 1959 will be substantially under those or 1958. In general, we look for a moderate pick-up in idustrial and business activity, but do not anticipate it rill reach the levels of 1955 and 1957. Much depends on ales success of the automobile industry, the electric ap-liance industry, home building and home building roducts

#### AUGUST IHLEFELD

#### President, Savings Banks Trust Company, New York City

Mutual savings banks face the prospect of another ear of record deposit gains in 1959.

The increase in deposits of mutual savings banks

pproximated \$2.5 billion in 1958 for the first time in heir long history. As we enter the

ew year, there are no clouds on the conomic horizon that threaten this rong upward trend of savings ank deposits.

A number of factors have conributed to this accelerated growth liquid savings which other thrift stitutions have shared. Record perwidespread onal incomes, the esire for personal financial securand growing public appreciation f the liquidity that a savings bank eposit account provides favor anther year of record deposit gains. seems quite likely that the inrease for this year will again ap-roximate \$2.5 billion for the na-



August Ihlefeld

on's savings banks It is true that larger purchases of automobiles and ther consumer durable goods could reduce somewhat e proportion of personal income th arift institutions during 1959. But this should be offset y an increase in personal incomes over the level of the ecession year 1958.

Mutual savings banks are provided with ample investnent outlets by the large volume of residential conruction that is under way. With new dwelling starts ose to their historical peak rate, sound mortgage loans ave been available in ample volume and at attractive ields to lending institutions. Through making forward ommitments to take up such loans next year, savings anks have done much to facilitate and to encourage ew home building.

Corporate bonds, the second major outlet for savings ank funds last year, are likely to be offered in smaller plume during 1959 because of the moderate level of apital expenditures by industry. On the other hand, ew offerings of long-term bonds by the United States reasury at competitive yields could lead to sizable urchases of such issues by mutual savings banks, to pplement their mortgage lending.

Prospects both for deposit gains and for new investnt opportunities of mutual savings banks are thus ifte favorable for 1959.

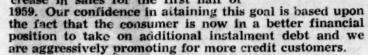
## R. W. JACKSON

President, Aldens, Inc.

In general, I agree with most economists that there will be a continued improvement in the economy during the first half of 1959 and that this improvement will continue through the second half but at a somewhat

slackened pace. The consumer is becoming more and more confident in the increasing strength of the economy with the result that all factors such as residential construction, consumer spending, etc., will continue

Speaking for Aldens in particular, retail prices in our Spring catalog will be generally lower than in our 1958 Spring and Fall catalogs. We are quite optimistic about the continued advance of retail sales throughout the year and with this thought in mind have stepped up our promotional program to an extent where we are budgeting a 6% increase in sales for the first half of



R. W. Jackson

Wilson C. Jainsen

The pressure of rising commodity prices due to stepped up increases in wages will, I believe, bring about a slight increase in prices but not enough to materially affect the retail price of goods.

I believe 1959 will be a better year than 1957 or 1958, both in sales and profits.

#### WILSON C. JAINSEN

President, Hartford Accident and Indemnity Company The stock casualty outlook for 1959 may be best approached by reviewing 1958, which at this moment is a record of 10 months of activity.

In general, during 1958 the unfavorable underwrit-ing conditions that started in 1956 and continued through 1957 have

remained. There is apparently a variance in the performance of individual companies. In general, the experience has not changed enough to indicate a trend.

The unfavorable results of the stock companies are, for the most part, in its automobile insurance—a major line. However, there has been a diminution of the margin of profit in almost every other line written by casualty companies.

Stock casualty companies may show an increase in premium of perhaps 8 to 10% in 1958. To a large degree, however, this represents in-

flation or higher rates rather than a corresponding increase in the number of units or items.

Nineteen fifty-eight was a year in which most casualty companies had a problem of assimilating the volume of business that was offered to them. It is understandable that when the business is unprofitable, the companies are less production-minded than under profitable con-

The year '58 has witnessed a slowing down of the ability to receive approval of justified rate increases, particularly in the automobile casualty field. Ninteen fiftyeight has also seen the start of a move to maintain more competitive picture by modifying downward the expense portion of the automobile rate structure, which includes commissions. This is meeting with a mixed reaction from agents and is a disturbing element between stock companies and their productive forces

Nineteen fifty-eight has seen most stock companies realistically strengthening their claims reserves

This, in a few words, highlights the present and the immediate past. What is the outlook for '59?

Midnight of 1958 will neither solve the present problems nor create a new set of problems. Nineteen fiftynine will probably prove to be a retread of 1958 with minor variations and, overall, a slight continuing improvement. If the business turns more profitable, competition will become intensifed.

It is a reasonable hope that there will be greater realization on the part of rate authorities to grant increases more promptly and more realistically

Nineteen fifty-nine will find the stock casualty companies generally in a strong financial position, adequately reserved, and able to cope with the very serious problems that confront them and which up to now have not been solved. It is anticipated that the volume of business will continue to increase, and it is hoped that the loss side of the picture will show further improvement.

Unfortunately, many of the factors that affect casualty insurance are found in the general economy and are beyond the control of the casualty insurance industry. I believe that the industry will bring increasing vigor to the attempts to solve the problems within its purview and that is distinctly a hopeful sign.

The investment picture for 1958 has favored the casualty companies. It is hoped that when '59 is completed we shall be able to make the same statement.

#### WALTER L. JACOBS

President, The Hertz Corporation

The car and truck rental and leasing industry is looking forward to another record-breaking year in 1959 The industry has, in fact, been in a growth cycle since its birth approximately 40 years ago. Each year volume

has surpassed that of the preceding year. The most dramatic expansion, however, has taken place in the last five years. In the case of The Hertz Corporation, for example, 1953 volume was approximately \$20 million; in 1958 it was over \$90 million exclusive of foreign operations. And in the next five years the Corporation's volume is expected to more than double, so that by 1963 Hertz will be recording an annual volume of \$200 million.

The reason for this phenomenal growth, and the bright outlook for the future, is obviously the growing acceptance of the concept of renting

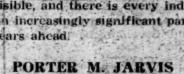
and leasing vehicles instead of own-ing them. There are other factors: the general economic upsurge, increasing costs of owning and maintaining vehicles, the growing use of rented and leased vehicles by business and industry, the advent of jet travel, and the over-all increase in travel, both at home and abroad.

There are, of course, additional factors accounting for this growth, and not the least of these is the fact that the era of the automobile as a symbol of social position, wealth or prestige is rapidly vanishing. In days gone by, ownership of an automobile was a mark of status in the business and social worlds. Now, however, use has been accepted as a substitute for ownership, and one need only have the use of a means of transportation. Whether or not he owns the vehicle is of no account.

This trend has accelerated of late in metropolitan centers, where the automobile has become an expensive and difficult institution to maintain. Figures show that the average family automobile is idle 95 per cent of the time, yet continues to incur depreciation costs, and the costs of insurance, licensing, interest, taxation, and often garaging. More and more drivers in larger cities, and even smaller ones, are renting automobiles when they have need for them instead of buying them.

Leasing of passenger automobiles and trucks on a long-term basis is also on the upsurge. Many companies are freeing themselves of the myriad of troublesome responsibilities of owning fleets of vehicles by leasing them instead. There are indications in the industry that this phase of the business will receive heightened promotion in the year ahead, and results should develop

Lastly, one additional important development in the industry promises to add to its health. That is the increased travel abroad. The coming of commercial jet. planes and decreasing costs of foreign travel have combined to put travel abroad within the reach of many more people than heretofore. Some effects of this trend are already visible, and there is every indication that it will become an increasingly significant part of the business in the years ahead.



President, Swift & Company The meat industry's 1959 outlook is encouraging from the standpoint of prospects for greater production of meat as the result of increased supplies of livestock coming to market. If government forecasts are borne

out most of the increase is expected to be in pork. The number of hogs marketed during the calendar year may be up about 12% compared with 1958.

There is some indication of larger beef supplies later in the year base on expanded cattle feeding. Feed supplies are abundant and demand for feeder cattle has been exceptionally strong. This should result in more marketings of fed beef next spring, but this may be offset in part by continued withholding of cattle for herd building purposes

The number of sheep and lambs on farms also is expected to increase, resulting in greater supplies of lamb at market. The government also forecasts more poultry

P. M. Jarvis

and egg production in the coming year. The supply outlook is good news for consumers and

for the food industry in general. With steadily expanding population, consumer demand for food should continue strong. This was a significant feature of the economic recession through which the country passed late in 1957 and during the earlier months of 1958 when. there was no evidence of a let-up in demand for food.

However, the food industry faces increasing costs all along the line, requiring continuing effort toward more efficient operation. Great progress has been made in

improving the processing and distribution of food from market to dining table. More progress is certain to come as the natural result of intense competition in our industry.

Consumers seek convenience and this is what the food industry must give them. This means convenience in kinds of products, packages, ease of preparation in the home, market location, arrangement and product display. We can look for continuation of the emphasis on convenience. In all our activities pleasing the consumer must be the first objective.

During 1959 we expect to place into operation a new, completely modern meat packing plant at Wilson, N. C., which will enable us to serve that area of the nation better than ever before. We expect to continue our modernization and rebuilding program, increasing capital expenditures to provide the facilities required for the best kind of service to our customers and the nation's

Through the years, we have allocated substantial funds to research and advance planning in the development of new products, new services and greater processing and distribution efficiency. We intend to continue this forward looking program because of the importance which we attach to it. The earnings of the meat packing industry are relatively small in relation to the volume of products processed but it is vital, nevertheless, that sufficient funds be devoted to activities which ultimately mean greater service to the nation as a whole. mean greater service to the nation as a whole.

#### WAYNE A. JOHNSTON

#### President, Illinois Central Railroad

The upturn in the economy during the latter part of 1958 is reflected in improved earnings for the Illinois Central. This will result in net income for 1958 being slightly better than in 1957. Present indications are that

Illinois Central net income for 1958 will be about \$16 million, or \$5.14 per share. This compares with net income for 1957 of \$15,744,000, or \$5.06 per share, based on 3,111,775 shares outstanding.

Operating revenues for 1958 are estimated at about \$262 million compared with \$289,700,000 in 1957. Operating expenses for the year will be about \$209 million, as compared with \$228,400,000 in 1957.

A gradual improvement in traffic during 1959 should improve the showing of the Illinois Central; however, wage increases granted Nov. 1, 1958, will increase labor costs in 1959

by \$4,800,000. This cost, plus in-creased payroll taxes together with a larger work force in 1959, will increase expenses overall by about \$6 or \$7 million. It is estimated that Illinois Central revenues in 1959 will be about \$272 million, and expenses for the year about \$214 million. After allowing for increased expenses and taxes, the Illinois Central is expected to have a net income in 1959 about the same as in 1958, or

An increase in carloadings of slightly less than 5% is predicted for 1959. Carloadings in 1958 will total about 1,767,000 cars. Carloadings in 1959 are estimated at 1,848,400 cars.

Working capital at the close of 1958 is estimated to be about \$45,500,000, a working capital ratio of 2.35%. It is estimated that by Dec. 31, 1959, working capital will be about \$50 million, a ratio of 2.47%.

Inventory, which amounted to nearly \$20 million at the close of 1957, will be brought down to approximately \$16 million as of the end of 1958 and to an estimated \$14 million as of Dec. 31, 1959.

Capital expenditures for 1958 will amount to about \$24,700,000. For 1959 such planned expenditures will amount to approximately \$23,250,000, of which \$6,150,000 will be for roadway improvements and \$17,100,000 for equipment. The new equipment will include 1,000 50-ton boxcars, 500 70-ton coal hopper cars, 50 70-ton covered hopper cars, 50 70-ton flatcars, 100 50-ton bulkhead flatcars will be converted for woodchip loading and 150 boxcars for specialty loading of various types.

With the addition of 20 diesel locomotives to be delivered in December, the Illinois Central will be 100% dieselized in all its operations on the basis of present traffic and will have sufficient equipment of this type to carry on an efficient shopping program. These loco-motives will enlarge the Illinois Central fleet to 396 freight and 172 switching diesels. The railroad also has 42 passenger diesels in service, making a grand total of 610 diesel locomotive units. All freight cars, except for the 50 covered hoppers, will be built in the Illinois Central's own car shops.

Roadway improvements include the installation of 65 miles of new rail at a cost exceeding \$535,000, track improvements at Stuyvesant Docks (New Orleans) at a cost of \$250,000, shop and roadway machines which will cost \$1,600,000, improvements to bridges, trestles and culverts costing in excess of \$1 million, and the acquisition of property for industrial development costing more than \$600,000, in addition to other improvements. Of the total expenditures of about \$17 million for equipment, approximately \$11,700,000 will be financed by equipment trusts.







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## THOMAS ROY JONES

President, Daystrom, Incorporated

The electronics industry enters the new year with confidence and optimism. I believe 1959 will see us more m hold our own as the nation's major growth industry. This outlook is, of course, predicated on the economy of

the whole nation for while the recesion left scars which will take time to heal, it is now evident that the country is on its way out of the hort but steep recession which had such a telling effect on 1958 sales and earnings. The recovery still has a long way to go, but its pace has been moderate and its tone generally salthy so that we should be able to look forward to the next twelve months as a period of good, though not spectacular, business.

During the year just ended our industry, as a whole, fared better than most. Electronics production climbed to an all-time high for fac-

tory sales of \$7.7 billion, a \$100 million increase over the 1957 total. Most of this increase was spurred by the military's application of electronics. Last year, produc-tion of military electronics accounted for more than \$4 billion of the total electronics output, with consumer and industrial production making up the difference.

Thomas Roy Jones

As for what is ahead, there is every indication that 1959 will be another banner year for the electronics industry. We look forward to a continuation of the trend which, since 1939, has seen the country's electronic output increase four times as fast as the GNP. Undoubtedly, the military will again pace the field this year as we begin to feel the effect of the speed-up in the defense program. It appears that the 1959 output of military electronics will be about 16% above that for the period just ended. Commercial and industrial electronics should also experience gains of about the same percentage.

It is my firm belief that 1959 will bring us really significant advances in the exciting new field of computer control for industrial processes. Only now are we in a position to see the coming of automation in its true form, that is, the use of computers to replace human decisions on how a process or production operation should be conducted. Such controls are now developing so rapidly there is good reason for us to believe that this will be the year in which the new method proves itself. The potential for electronics in this area is tremendous and our main effort now must be directed at reducing costs to a point where we can make systems engineering economically available to ever-broadening segments of

I indulge in no wishful thinking when I say that almost every process operation such as chemical, petrochemical, power, steel or similar facility will be operated by computer process control before the completion of the life expectancy of present equipment. The adoption of such systems by industry will make it possible to run entire plants at optimum conditions. By conserving material, fully utilizing equipment, and delivering product quality, quantity and uniformity heretofore unattainable by human control, the adoption of complete control sysms will provide a valuable adjunct for industry in maintaining an economic balance between costs and profits. They will have a stimulating effect on our whole

DWIGHT P. JOYCE

Chairman of the Board and President, The Glidden Company

During the past year The Glidden Company has taken a number of steps to make it a sounder and stronger

organization, and we anticipate that 1959 will be a year of further growth and improvement in every division. In our Paint Division, which operates 14 manufacturing plants throughout the United States and Canada, sales during 1958 represented an all-time high, and there is already a strong indication that is already a strong indication that the record for 1959 may be even better.

During the year the Paint Diviion introduced a new Spred Satin latex - emulsion paint which is rapidly finding wide acceptance throughout the country. In the coming year, the division will bring out a new line of premium pleasure boat finishes, a new latex-emulsion floor paint, and a polyester resin coating for new construction which

simulates ceramic tile. Other new products scheduled for test marketing in 1959 are an emulsion house paint, a variety of metal decorating coatings and several new resins for industrial uses.

Dwight P. Joyce

Marketing of industrial emulsion finishes was intensified during the past year, and these finishes are being more widely used on a number of automobile parts. There are, in fact, many cars now being tested on the road which are completely finished with emulsion coatings, and we believe this segment of our business will expand considerably in this coming year.

Our Durkee Famous Foods Division's position as a saic supplier of ingredient materials to the food and lifed industries was substantially strengthened during 1958, largely through our concentration on the devel-

opment of specialized markets and products. A typical example of this activity was the development of a new emulsifier which has been enthusiastically received in the baking field. This product represents the most important baking emulsifier development within the past 20 years and it has permitted many improvements to be made in shortenings for prepared mixes and bakery items. A number of additional edible oil products were launched under the Durkee label during 1958, and we anticipate that production volume will be expanded as new markets are created for these products in 1959,

A major reorganization program was completed in 1958 within the Durkee Division with the opening of our new coconut and condiment plant at Bethlehem, Pa. This new facility incorporates the most modern, high-speed processing and packaging equipment avail-able, and we fully expect that divisional earnings in 1959 will reflect the efficiencies obtained from this

During 1958 Glidden's Chemical-Pigments-Metals Division brought into full production a new multi-million dollar titanium dioxide plant at Baltimore, Md. The plant incorporates the most modern processing equip-ment available and is one of the top facilities of its kind in the nation.

Also in 1958 this division brought out an improved type of titanium pigment for industrial finishes and intensified research on products for the papermaking industry. To accommodate the increasing demand for its products, the division has doubled its manpower in both sales and technical service.

Glidden's Organic Chemical Division, which produces a variety of products for the perfume, cosmetic and flavoring industries, experienced substantial growth during 1958. A new \$3,400,000 plant at Port St. Joe, Fla., was completed and opened in the middle of the year, and construction was started on a \$2,000,000 plant at Jacksonville to manufacture laevo-menthol, a product used principally in tobacco, proprietary drug and confection items. This facility, scheduled to open in 1959, will be of a sufficient size to supply approximately 40% of the United States requirements for this important flavoring commodity and will greatly strengthen Glidden's position in the flavoring field.

During the year important strides were made by this division toward expanding its line of terpene aromatic chemicals, and research and patent work in this field was increased. The division successfully introduced synthetic geraniol to the essential oil trade, and this product, along with other synthetic terpenes produced by this division, has found a relatively large volume market as an ingredient material for soaps and detergents, cosmetics and toiletries, and industrial deodorants.

As The Glidden Company moves more strongly into the chemical industries, the results of research and development activities have become more vital to its future success. To this end, research expenditures were substantially increased in 1958 and several specialized, long-range projects were initiated in the Glidden laboratories and in outside research institutions which are expected to contribute measurably to the firm's continued growth and success.

All in all, 1958 was a good year for The Glidden Company, and the outlook for 1959 is favorable.

#### FREDERICK R. KAPPEL

President, American Telephone & Telegraph Company

The Bell System made large gains in service in 1958. While the rate of telephone growth slowed temporarily in the early months of the year, it turned upward again in the summer and the increase in telephones for the full year will be not far from 21/2 million. Long distance conversations have to-

taled about 5% more than in 1957.
Earnings of the System in 1958 have been running ahead of 1957 and we expect this improvement will be further reflected in the full year's results. Important factors in earnings progress have been increased efficiency in operations, increases in telephone rates in some states, and broadening effort to promote and sell what we believe is more and more useful and attractive service.

To expand telephone facilities and continue our program of service betterment, the Bell companies spent \$2.2 billion this past year for con-

struction. We embarked on this very large program a year ago with confidence that the need for telephone services would continue to grow, and experience has justified this expectation. In 1959, for the fourth consecutive year, we expect to spend more than \$2 billion for construction. Construction on this scale is necessary, it helps employment, and it has a good effect on the economy generally. Last year for example, Western Electric, the Bell System's manufacturing and supply organization, paid more than a billion dollars to some 37,000 subcontractors and suppliers, most of them small businesses.

In January, 1959, we shall introduce the Call Director, a new telephone which we consider the most convenient and flexible instrument ever provided for business use.

We shall continue to urge against the Federal excise tax on telephone service which is paid directly by telephone users. This is one of the most discriminatory of all taxes—in fact telephone service is the only household utility that is so taxed. Yet proposals have been made which if enacted into law would permanently embed telephone excise taxes in both Federal and state tax structures. We believe this course would be wrong in

every respect. When the Federal tax laws are revised, the telephone excise should be repealed, not perpetuated. As is generally known, the A.T.A.T. Company has announced that it will propose a three-for-one stock split at the annual meeting of share owners on April 15. The reasons for this proposal were stated at the time of the announcement. If it is approved, it is expected that the first quarterly dividend on the split shares will be paid in July at the rate of \$0.82½ a share, which would be an annual rate of \$3.30 per share. As always, it will be our continuing policy and effort to safeguard the interests of our share owners who now number more than 1,600,000. 1.600.000.

#### WILLIAM G. KARNES

President, Beatrice Foods Co.

Looking ahead through 1959, the American consumer can anticipate a continuing abundance of food supplies at prices little if any higher than those of the past year; Only a prolonged drought can alter this prospect. The

year 1958 was a banner year for agricultural production. It will go into the records as one of the most favorable crop years of the present century.

Consumer purchasing power should be sufficient on the whole to enable the population to enjoy the prospec-tive food abundance. Nevertheless, it should be realized that continually advancing costs in many directions convey a persistent threat to real purchasing power as distinguished from dollar purchasing power. There is hope that increasing public awareness of this peril will serve as its most effective deterrent. The dairy

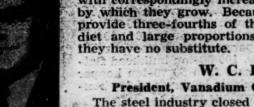
industry continues to provide nutri-tive values of the highest order at a level of costs that is among the lowest of all the major food categories. The steadily expanding per capita consumption of cottage cheese, for example, is a recognition of the merits of the low-cost high-protein dairy food. Over the past five years our average selling price for milk, per quart, has remained practically level. Our average butter price has declined from a base of 100 in 1954 to 94 in 1958. Our average egg prices have declined from a base of 100 in 1954 to 79 in 1958.

This has been accomplished in the face of steadily rising costs, and is the result of greatly increased efficiency by the processor, the distributor, and the farmer. Our company and countless other food processors and distributors have made tremendous efforts during the last ten years to overcome steadily mounting costs, which have resulted in a remarkable improvement in processing and distributing efficiency.

Farmers have received scant recognition of the fact that they are selling milk today at approximately the same price they received in 1947-49 period. Dairy farms are growing larger and more efficient with most of their operations mechanized to save labor costs. Improved dairy cows are yielding considerably more milk per animal. Feed is being used more efficiently and economically.

On a near term basis, there does not seem to be anything that will materially alter these trends during the coming months of 1959. Our company is concentrating much of its research on improvement of processes and methods, and we have added nondairy convenience food-items with better margins of profit. With continued highconsumer purchasing power and increasing population, we look to the future with complete confidence.

On the whole the consumption of dairy products other than butter on a per-person basis has increased slowly but steadily since the last war. The multi-million increase in babies born in the immediate postwar years has become an enormous population of growing children with correspondingly increased needs for the dairy food by which they grow. Because milk and dairy products provide three-fourths of the calcium in the American diet and large proportions of indispensable vitamins, they have no substitute.



Wm. G. Karnes

Frederick R. Kappel

#### W. C. KEELEY

President, Vanadium Corporation of America

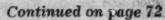
The steel industry closed 1958 on an encouraging note. with operations at about 76% of capacity and with demand from many of the industry's most important customers on the upswing. The construction, appliance,

machinery, farm implement and automotive industries have increased their buying. Demand from the automotive industry especially has risen in recent months following good public reception of new models.

In prospect also is the probability that customer inventories will be built up above their present low levels as demand quickens and lead time for delivery of steel orders lengthens. Such a policy on the part of sicel users, as opposed to the inventory liquidation program pursued during most of 1958, could serve to boost the steel demand beyond an actual rise in consumption.

Current estimates on 1959 steel

production, barring a steel strike, range between 108 and 115 million tons which would be just short of the record output of 1955. With the increase in total steel demand





istically reduce these non-protive expenditures,

The material foundation of our national safety is a strong and expanding economy. This we have—and this we must maintain. Only with such an economy can we be secure and simultaneously provide for the well-being of our

A year ago the nation was exriencing a decline in employment and output. Today that resion is fading into history, and this without gigantic, hastily-improvised public works projects or untimely tax reductions. A healthy and vigorous recovery has been under way since last May. New homes are being built at the highest rate in several years. Re-tail sales are at peak levels. Per-sonal income is at an all-time high.

Defense Outlays to Remain High

The marked forward thrust of our economy reaffirms our confidence in competitive enterprise. But — clearly — wisdom and pru-dence in both the public and pri-vate sectors of the economy are always necessary. Our outlook is this: 1960 commitments for our armed forces. The Atomic Energy Commission and military assistance exceed \$47,000,000,000. In the foreseeable future they are not likely to be significantly lower. With an annual population increase of 3,000,000, other governmental costs are bound to

After we have provided wisely for our military strength, we must judge how to allocate our remaining government resources most effectively to promote our wellbeing and economic growth.

Federal programs that will benefit all citizens are moving for-

Next year we will be spending increased amounts on health programs; on Federal assistance to science and education; on the development of the nation's water resources; on the renewal of urban areas; and on our vast system of Federal-aid highways.

Each of these additional outlays is being made necessary by

the surging growth of America.

Let me illustrate. Responsive to this growth, Federal grants and long-term loans to assist 14 major types of capital improvements in our cities will total over \$2,000,-000,000 in 1960—double the expenditure of two years ago. The major responsibility for development in these fields rests in the localities, even though the Federal Government will continue to do its proper part in meeting the genuine needs of a burgeoning population.

But the progress of our econcan more than match the growth of our needs. We need only to act wisely and confi-

Here, I hope you will permit me to digress long enough to express something that is much on my

The basic question facing us today is more than mere survival the military defense of national life and territory. It is the preservation of a way of life.

We must meet the world challenge and at the same time permit no stagnation in America.

Unless we progress we regress. We can successfully sustain security and remain true to our heritage of freedom if we clearly visualize the tasks ahead and set out to perform them with resolution and fervor. We must first define these tasks and then un-

Long-Term Planning Essential

If progress is to be steady we must have long-term guides ex-tending far ahead, certainly five, possibly even 10 years. They must reflect the knowledge that before the end of five years we will have a population of over 190,000,000. They must be goals that stand high, and so inspire every citizen to climb always toward mounting levels of moral, intellectual and material strength. Every advance toward them must stir pride in individual and national achieve-

To define these goals, I intend to mobilize help from every avail-

We need more than politically ordained national objectives to

derstand what we must do to permen and women. A group of self-form them. side of government, could effectively participate in making the necessary appraisal of the potentials of our future. The result would be established national goals that would not only reflect the brightness of our finest dreams, but would meet the stern test of practicality.

Composition of Committee

plan a committee comprised educators and representatives of labor, management, finance, the professions and every other kind of useful activity.

Such a study would update and supplement, in the light of continuous changes in our society and its economy, the monumental work of the committee on recent social trends which was appointed

new committee would be con-cerned, among other things, with children. the living standards of our people, their health and education, their petence. To obtain and hold them better assurance of life and liberty and their greater opportunities. It would also be concerned with methods to meet such goals and what levels of government—local, state, or Federal—should be particularly concerned.

As one example, consider our schools, operated under the authority of local communities and states. In their capacity and in their quality they conform to no recognizable standards. In some places facilities are ample, in others meager. Pay of teachers ranges between wide limits, from the adequate to the shameful. As would be expected, quality of teaching varies just as widely. But to our teachers we commit challenge the best efforts of free in 1931 by President Hoover. The the most valuable possession of

We must have teachers of competence. To obtain and hold the we need standards. We need national goal. Once established am certain that public opinion would compel steady progrestoward its accomplishment.

Such studies would be helpful. I believe, to government at a levels and to all individuals. The goals so established could help a see our current needs in perspectime. They will spur progress.

We do not forget, of course that our nation's progress and fiscal integrity are interdepend-ent and inseparable. We can af-ford everything we clearly need, but we cannot afford one cent of

Continued on page 73



Sinking a gas well to 6500 feet costs Panhandle Eastern about \$100,000. It's a lot of money to bet, especially since industry-wide figures show the odds are 9 to 1 against finding anything.

Despite long odds and heavy wagers, natural gas producers have contributed greatly to building a strong industry to serve a strong America. But the "house rules" threaten to take reasonable incentives away from the producers.

Right now, producers face the huge and vital task of finding and developing more than 12,000,-000,000,000 cubic feet of natural gas each year, just to maintain existing reserves! Freedom from burdensome Federal regulations-and the maintenance of fair incentives-are essential first steps in assuring this Nation the product and service of a progressive natural gas industry in the years ahead.

# PANHANDLE EASTERN PIPE LINE COMPANY

120 Broadway, New York 5, N. Y.

Producer, processor, transporter, supplier of natural gas, serving industries and utilities in 12 states.



and output should come a proportionate increase in de-

mand for alloy steel.

Expansion of steel output carries with it an implicit eed for alloy steel tools and dies with which to work the expanded tonnages. The expected increase in automotive output is a good omen for the alloy steel industry not only because automobiles utilize substantial quantities of alloy and stainless steel, but because a great deal of alloy steel is used in tools and dies for their manufacture. The same is true for the appliance, mahinery and farm implement industries, among others, all of which are expecting improved business in 1959. In ddition, demand for heat-resisting stainless steels and high temperature alloys should grow in line with insed production of gas turbines, missiles, supersonic aircraft and atomic reactors.

Even more than in the case of over-all steel production, alloy steel probably will benefit from the switch from liquidation to accumulation of inventories. Moreover, since alloy steel inventories were slashed more extensively in 1958 than were carbon steel holdings, they

should be rebuilt at a faster rate.

Vanadium Corporation of America should participate in the brighter prospects expected for the alloy steel industry in 1959. The Company is a major supplier of alloys to the industry. It has largely completed an extensive modernization program over the last several years which provides it with a capacity sufficent to meet increased demands for alloys. The new production facilities are among the most modern, efficient, and lowest cost in the industry. In addition, Vanadium Corporation should benefit from a number of new and improved products developed in the company's Cambridge, Ohio research center. These new products permit the company to fill the alloy steel industry's increasingly exact requirements.

#### RUFUS CROSBY KEMPER President and Chairman of the Board. City National Bank & Trust Co., Kansas City, Mo.

There has been a revival of consumer eptimism and confidence since early summer. General business conditions have greatly improved and most businessmen and bankers are predicting continued improvement in

1959. Some danger signals appear on the horizon in the form of continued inflationary trends and rising prices. The unbalanced Federal budget is also cause for concern. Because of increasing costs, foreign competition is becoming more apparent daily.

On account of splendid agricultural and cattle conditions, the mid-west area has been extremely prosperous and undoubtedly this pros-perity will continue into the New Year. Various construction projects should be a sustaining force in 1959 with public works, industrial build-ing and home construction all active. Corporate profits should rise in the coming months, encouraging more business spending for

inventories and for plants and equipment.

Retail sales have been rising and Christmas sales un-

doubtedly were much larger than last year. Under these constructive influences, unemployment should decrease during the early months of the New Year.

Bankers are closing a prosperous year and with de-posits up throughout the midwest and an active demand for loans at favorable rates, the New Year should be a good one for the profession. Excellent rates of short term governments and municipals should also help banking profits. From all indications, both bankers and businessmen can view the short term future confidently and look forward to a continuing prosperity.

#### R. LEE KEMPNER

#### Chairman, Executive Committee. United States National Bank, Galveston, Texas

When one talks or writes on the subject of "What's ahead for business in 1959," it may be well for him to realize that a prophet is not without error in any country. But in the "business climate" of today there are some portents of precipitation from the

fiscal skies of 1959.

The demands of labor continue to be chilling in their influence on the cost of living. Industry attempts to overcome dampening of profits by passing increased costs on to the consumer. But warmth of such offsetting garments is becoming threadbare; at best leaving our nationwide economy on slippery ice of inflation.

It is futile to advance class-interests and self-interests without regard to our nationwide progress and world-wide status. Otherwise we play into the aims and plans of competi-tive and especially hostile nations.

Weakening our economic status is eagerly sought by several of our enemies and becomes more damaging to our national interests and aims than the threat of war.

We must hope and act so that we shall, in 1959, nation-

wide, "see the economic panorama as a whole, not as fragmentary political episodes or party strategy."
We inherit in 1959 grave problems in the attitude, propaganda and schemes of communistic nations. Their

shrewd diplomats seek to undermine our economic progress, to create class friction within our borders and to stimulate excessive and menacing expenditures by us as a nation; by our industries and individuals.

To make the pattern of following years, we shall need in 1959, in all ranks, cessation of seeking individual or class benefits, government subsidies, bonuses, grants, etc. At the close of 1958 the barriers on the road to socialism are down and we are treading that road rather recklessly.

Quoting Professor Jacoby of the University of California, "What the American people plainly want is full employment and production, without inflation, and in a free economy."

With the present normal increase in population, employment obviously will be increased only if the returns of industry are rewarding; and neither business, the source of employment, nor labor, dependent on employment should be penalized by the power of any class to enforce demands that are destructive of a balanced budget in public or private ventures. "The fault lies not in our stars but in ourselves"; so does the remedy.

#### D. S. KENNEDY

#### President, Oklahoma Gas and Electric Company

The continuing growth trend for electric utilities looks promising for 1959. Electricity provides an economical service for modern industry and the American home and our entire economy is geared to this service. The general

business outlook for our country appears good for 1959 and electric utilities will continue to share in this increased production.

The outlook for electric utilities in the Southwest is very encouraging. With the expansion and diversification of industry has come a great trend toward decentralization. Our part of the United States offers a very favorable atmosphere for this expansion. Labor is productive, tax structures are favorable and the area has available abundant power and fuel resources.

In our own immediate service area, which includes much of Oklahoma

and a part of Western Arkansas, we expect a good year for 1959. Oklahoma produced a bumper wheat crop in 1958, pastures are good and cattle prices are high. Therefore, the agricultural economy of the area is good. New and important industries are coming into the area and old established firms are making important expansions. Some of the recent additions are as follows:

Western Electric broke ground at Oklahoma City last month for the construction of a \$35 million plant on a 210-acre site, which will have 1,300,000 sq. ft. or 30 acres of floor space. The plant will employ 4,000 or more workers in the production of long distance switching equipment for the Bell Telephone system. Western Electric has had in operation in Oklahoma City a pilot plant for more than a year, training key personnel.

Callery Chemical Company has completed the first section and begun operation of its plant at Muskogee, Oklahoma for the production of high-test fuel for naval aviation and missiles. Gulf Oil Corporation has an interest in the project. Callery has purchased over 1,000 acres for expansion and it is expected that this project will add materially to the industrial economy of Eastern Oklahoma.

The Oklahoma branch of the Ideal Cement Company at Ada, Oklahoma, is doubling its output. This plant employs 400 workers; produces more than 22 million sacks of cement yearly. The Company has an unlimited supply of limestone nearby, which it transports to the plant on a new conveyor belt five and one-half miles long. When completed, this will be the longest permanent conveyor belt in the world.

Other important new industries or expansions in our service area include the following: The Blue Bell Manufacturing Company, largest manufacturer of work clothing, is establishing plants in Ada, Oklahoma and four prufe Company, manufacturer of lingerie, is establishing a plant in Ratcliff, Arkansas, to employ 500 persons; Landers, Frary and Clark, the veteran manufacturers of Universal home appliances, has purchased a plant at Fort Smith, Arkansas; Dixie Cup Company, a division of American Can, is enlarging its plant in Fort Smith, Arkansas; the Civil Aeronautics Agministration has established a \$20 million center in Oklahoma City for the training of personnel, the assembling and testing of control equipment and the maintenance of its aircraft. The center now employs about 2,000 persons. Other companies, which have expanded their Oklahoma operations recently, are the U.S. Gypsum Company, the Container Corporation of America, Fairchild Aircraft, Pillsbury Mills, Aero Design and Engineering, Fansteel Mettalurgical Corporation and Arkansas Container Corporation.

According to studies by the United States Chamber of Commerce, every 100 new jobs create 74 additional jobs in retail establishments, services, utilities and other fields. Therefore, we feel quite optimistic over the outlook in our service area. In addition to this favorable industrial growth, we know that people are living better electrically. The increased use of modern electrical appliances is continuing and the use of electrical heating s gaining wider interest and acceptance. We estimate that our overall sales for 1959 will be about 9% above 1958. This is approximately the same increase as last

#### ALLEN S. KING

President, Northern States Power Company

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Northern States Power Company again in 1958, and for the twenty-fifth consecutive year, enjoyed an increase in annual operating revenue. As was expected and forecast at this time last year, the rate of growth was somewhat

retarded from that of the previous year, thus reflecting the general trend in business. In the past the ups and downs of the business cycle in this area have usually been less pronounced than for the country as a whole, and the recent downward trend seems to have followed the same pattern.

Total kilowatt hour sales in 1958 were approximately 3.5% greater than in 1957. We believe that the warm winter, cool summer and warm fall affected kilowatt hour sales as much as the recession. This increase compares with 7.4% for 1957 over 1956 and an average of about 7.6% for the period from 1951 to 1957.

However, it is significant that our increase in kilowatt hour sales in 1958, small as it was, was substantially greater than that of the nation as a whole.

The relative stability is due, of course, to the wide

diversification in industry and to agriculture and agricultural products which constitute an important element in the economic welfare of our service area. The energy requirements for the manufacture of food and related products, general manufacturing, offices and retail trade continued to increase at normal rates throughout the year. The major categories which had slow growths and declines were in lumber and building materials, electric and other machinery, and steel and iron products.

The trend in our commercial and power sales turned upward in August and September. Energy requirements for food products continue to grow. The requirements of some of the other major industries are also growing, some still remain static, and yet others such as lumber, electric machinery, steel and iron are still showing declines although at slower rates than previously.

The national economy is on the upgrade and our local economy is moving upward simultaneously. We expect the upward trend to continue. There are many favorable signs. Economic indicators in the area lead to optimism. Both the agricultural and nonagricultural economy appear to be gaining momentum. Housing construction as measured by housing starts, which has lagged for more than a year, is now nearing a record high. In 1959 we expect to add about 14,000 residential customers, about the same number as added in 1958. Public construction is beginning to move at a faster pace. We believe that for the next few months the recovery will be definite and real although it may not reach a normal rate of economic growth until the latter part of the year. Nevertheless, all signs confirm that 1959 will be a year of substantial growth, the beginning of a period of continuing recovery, a year of gathering economic momentum to become the foundation of a broad expansion in the early sixties.

Our forecasts lead to confidence in the future of our service area. In order to keep ahead of the increasing demand for our services we expect to spend \$223 million on new construction in the next four years. This includes two 156,000 kilowatt generating units, one to go into service this year at the High Bridge plant in St. Paul and one in 1960 at Black Dog plant south of Minneapolis. The research and development work on the 66,000 kilowatt atomic energy plant to go into service near Sioux Falls in 1962 is proceeding on schedule.

Our business has been doubling about every ten years, about the same as the national average, and we expect it to continue at about the same pace.

#### MAXWELL C. KING President, Pacific Finance Corporation

Forecasts of increased automobile sales, estimated by industry leaders at 10% to 15% over 1958, and an expected growth in other applications of instalment in 1959. Consumer confidence appears to have been

restored with the strengthening of economy in recent months. There is a renewed willingness to buy which, coupled with a continued expansion in consumer income and a carryover of unsatisfied needs from the recession period, should bring increased sales not only of automobiles, but of household furnishings and other durables as well.

Other factors which should help make 1959 a good, though not a record year in passenger car sales are the excess of repayments of automobile contracts over new credit purchases during the last year, a continued increase in the number of

two-car families, and the high rate of scrappage, now estimated at around 41/2 million cars a

Completion of instalment payments for automobiles in the first ten months of 1958 exceeded new credit purchases by nearly \$11/4 billion. It was the first "minus" year for new credit extension since 1954 and the drop in consumer debt for automobiles was the largest since 1950. A reasonable proportion of customers who com-







### **Text of President's** State of the Union Message to Congress

waste. We must examine every item of governmental expense critically. To do otherwise would betray our nation's future.

We must avoid any contribution to inflationary processes, which could disrupt sound growth in our economy.

Prices have displayed a welcome stability in recent months and, if we are wise and resolute, we will not tolerate inflation in the years to come. But history makes clear the risks inherent in any failure to deal firmly with the basic causes of inflation. Two of the most important of these causes are the wage-price spiral and continued deficit financing.

Inflation would reduce job opportunities, price us out of world markets, shrink the value of savings and penalize the thrift so essential to finance a growing economy.

Inflation is not a Robin Hood, taking from the rich to give to the poor. Rather, it deals most cruelly with those who can least protect themselves. It strikes hardest those millions or our citizens whose incomes do not quickly rise with the cost of living. When prices soar, the pensioner and the widow see their security undermined, the man of thrift sees his savings melt away: the white collar worker, the minister, and the teacher see their standards of living dragged down.

Inflation can be prevented. But this demands statesmanship on the part of business and labor leaders and of government at all levels.

We must encourage the selfdiscipline, the restraint necessary to curb the wage-price spiral and we must meet current costs from current revenue.

To minimize the danger of future soaring prices and to keep our economy sound and expanding, I shall present to the Congress certain proposals.

#### Will Submit Balanced Budget

First, I shall submit a balanced budget for the next year, a year expected to be the most prosperous in our history. It is a realistic budget with wholly ttainable objectives.

If we cannot live within our means during such a time of rising prosperity, we help make it difficult for every family in our land to do so. But to live within our means would be a tangible demonstration of the self-discipline helpful in assuring a stable dollar.

The Constitution entrusts the Executive with many functions, but the Congress-and the Conone — has the power of the purse. Ultimately upon Congress rests responsibility for determining the scope and amount of Federal spending.

By working together, the Congress and the Executive can keep a balance between income and outgo. If this is done there is real hope that we can look forward to time in the foreseeable future when needed tax reforms can be accomplished.

In this hope, I am requesting the Secretary of the Treasury to prepare appropriate proposals for revising, at the proper time, our tax structure, to remove inequities and to enhance incentives for all Americans to work, to save, and to invest. Such recommendations will be made as soon as our fiscal condition permits. These prospects will be brightened if 1960 expenditures do not exceed the levels, recommended.

Would Veto Appropriations

Second, I shall recommend to the Congress that the Chief Ex-

erations in an area where private enterprise can do the job, I shall recommend legislation for greater flexibility in extending Federal credit, and in improving the procedures under which private credits are insured or guaranteed. Present practices have needlessly added large sums to Federal expenditures.

Fourth, action is required to make more effective use of the large Federal expenditures for agriculture and to achieve greater fiscal control in this area.

ecutive be given the responsibility Agriculture for the current fiscal willingly for a temporary period will help create an environment specific items in appropriations and authorization bills. This would save tax dollars.

Third, to reduce Federal operations in an area where pri
ecutive be given the responsibility Agriculture for the current fiscal willingly for a temporary period will help create an environment if it were leading to a sound of price stability for economic solution of the problem. But unsuccessful to approximately this is not true. We tional measures are needed.

That is a sum equal to approximately this is not true. We need new legislation.

In the past I have sent messages would Amend Employment Act to the Congress requesting greater.

I shall ask Congress to amend entire United States.

By the end of this fiscal year it is estimated that there will be in government hands surplus farm products worth about \$9,-000,000,000, and by July 1, 1959, government expenditures for storage, interest and handling of its agricultural inventory will reach a rate of \$1,000,000,000 a

#### New Farm Legislation

This level of expenditure for Outlays of the Department of farm products could be made

freedom for our farmers to manage their own farms and greater freedom for markets to reflects the wishes of producers and consumers. Legislative changes that followed were appropriate in direction but did not go far enough.

The situation calls for prompt and forthright action. Recom-mendation for action will be contained in a message to be transmitted to the Congress shortly.

These fiscal and related actions

I shall ask Congress to amend the Employment Act of 1946 to make it clear that government intends to use all appropriate means to protect the buying power of the dollar.

I am establishing a continuing cabinet group on price stability for economic growth to study governmental and private policies affecting costs, prices, and economic growth. It will strive also to build a better public understanding of the conditions neces-

Continued on page 75.



#### **CYALIONAL** POST-TRONIC machines save us 53% annually on our investment!" -BISHOP NATIONAL BANK of Hawaii

"In an atmosphere of informal friendliness, we endeavor to provide the best service possible to our customers. To accomplish this to a still greater degree, we investigated the most modern electronically-controlled equipment on the market, and have installed ten National POST-TRONIC machines.

"These ten POST-TRONIC machines take the place of thirty conventional machines, a saving in posting time and floor space. There are other important savings and benefits.

"Due to the various electronic operations which cause the POST-TRONIC machines to perform so much of the work automatically, the operators' actual posting work is virtually cut in half. This means the posting operation is completed in a fraction of the time formerly required and with far greater accuracy, because what the POST-TRONIC does electronically, the operators cannot do wrong. This great ease of operation even enables us to hire physically handicapped personnel.

"We estimate National POST-TRONIC machines save us at least 53% each year on our investment."

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO 1,039 OFFICES IN 121 COUNTRIES ... 75 YEARS OF HELPING BUSINESS SAVE MONEY

The miracle of electronics provides the lowest posting costs ever known. This means more efficient over-all operation of any bank, regardless of size. Your local National representative will be glad to show how much the POST-TRONIC can save your bank. Call him today. He's listed in the yellow pages of your phone book.

TRADE MARK REG. U. S. PAT, OF

ADDING MACHINES . CASH REGISTERS

NCR PAPER (NO CARBON REQUIRED)

pleted their car payments last year may be expected to re-enter the market in 1959 along with many who held off buying in 1958 because of the recession, although they had paid out their contracts the previous year.

Growing population, the striking development of suburban life and greater consumer income had increased the number of two-car families from 2 million in 1949 to 7.3 million early in 1958 and it appears that the trend will continue through 1959. The number of families in need of a second car has been estimated at 13 million, the greatest number, 7.7 million, being in the over \$5,000 income range where the ability to buy is greatest.

The automobile sales potential, together with an average increase in unit cost of between 2% and 3%, indicate an increased dollar volume of sales financing in 1959.

The money market appears to be firm and, with improving business conditions, short term rates can be expected to hold or move upward moderately. Improvement in credit losses which began in the second quarter in 1958, are expected to continue in 1959 and operations of well managed companies should be more profitable.

The upward trend of the economy may bring renewed proposals for Federal regulation of consumer credit this year and, while some observers give the introduction of such legislation little chance, the threat remains a serious problem for the industry. The record of credit fluctuation in parallel with the general economy speaks for the wisdom of consumers in not tending to overextend themselves. If credit controls are ever to be in order and be logical and effective, they must apply with proportionate weight in all segments of the economy rather than on a selective basis.

## ALLAN P. KIRBY President, Allan P. Kirby, Morristown, N. J.

The constantly creeping inflationary threat, with increasing money rates, is not going to be helpful to the economy in 1959. No end to rising wage rates and consequent increased prices is more than an aggravation

to the public and, in some instances, could result in a buyers' strike. In fact, it is my opinion that this is not going to be any five and a half to six million car-year and that if the union and labor problems of the past continue to beset us with the same severity in the future, this great country will surely end as a second-rate power, and in the not too far distant future.

As far as the immediate future—1959 — is concerned it appears that there will be a further expansion of the economy, with resulting greater profits and larger dividends. It seems to me as though we are on a merry-go-round of increasing volume,

greater profits and a decreasing dollar value, which, if continued for a long enough time, will result in a final and complete collapse of the economy—not this year or next—but sooner or later, and possibly sooner than any of us realize.

Allan P. Kirby

Raymond C. Koontz

President Eisenhower's determination to balance the budget, if accomplished and continued, can be very helpful if successful but I doubt its accomplishment with a Democratic Congress.

My opinion is that the short-term picture is very rosy but the long-term picture worse than blue. Our mistakes of the past cannot be carried into the future without a complete disintegration of our economy. I hate to contemplate on what is in store for the next generation if the present trend is not reversed—and soon.

#### RAYMOND KOONTZ President, Diebold, Incorporated

Diebold, Incorporated has just completed the most successful year in its nearly 100 years of operation. We will celebrate our 100th anniversary April 1959.

Diebold is a leading manufacturer of bank protective equipment and of office systems

equipment,

Indications are that the expansion of branch banking will continue in 1959 and that a number of banks will either build new headquarters buildings or extensively remodel present headquarters buildings. We have just completed the installation for the United States Trust Company in New York City of the largest commercial bank vault yet built.

In the field of office equipment Diebold specializes in records handling and protection. Our office systems equipment, mechanical filing equipment and point-of-use housing of records equipment are designed to

save space, time and motion. The more efficient use of space, time and motion continues to be a major problem of office managers.

We are presently estimating an increase of 10% in our overall sales volume for the year 1959 as compared with

REMBRANDT P. LANE, JR. Treasurer, Northeast Airlines

I am certainly not qualified to speak for the entire domestic airline industry other than to make the rather general observation that we are confident that air travel will continue to grow next year and increase its margin over other means of non-automobile transportation. My own off-the-cuff opinion (and it is really nothing more than a guess) would be that the advent of the jets and turbo-props, the ever increasing acceptance and confidence of the public in scheduled airline operations, and the inflationary signs on the horizon should mean a growth factor of at least 15% for the industry in 1959 over this year. Plase appreciate that I am speaking in

terms of passenger miles and not necessarily in dollars. The situation of Northeast Airlines is somewhat different. The entire character of our operation was changed significantly when the Florida extension was awarded to us late in 1956. Thus our growth factor (measured in passenger miles) in 1957 over 1956 was 105.6% and we estimate that in 1958 it will be 64% over 1957. Since we still have not reached full maturity in our new markets, we anticipate a better than industry average expansion in 1959 business over 1958. I would tentatively estimate that the growth factor would be in the vicinity of 35%-40%.

## RALPH LAZARUS President, Federated Department Stores, Inc.

General stability in the price levels of goods sold in department stores and an increase of four to five per cent in department soles over 1958 figures are likely to be the outstanding characteristics of department store business during the first six months

of 1959.

We at Federated Department Stores, Inc. do not attempt to project our forecasts beyond this period. And, incidentally, we lean toward conservative sales forecasts and hope to exceed our predictions. The following comments on the outlook for business in the department store field during the first half of this year reflect this policy of conservatism.

Generally excellent C h r i s t m a s sales boosted department and specialty store volume well ahead of 1957 which was itself an all-time peak. Retailing, in general, with-

stood the shock of the early-1958 recession and showed substantial year-end gains.

At the beginning of 1959, the consumer appears to be in a favorable position to buy. Several factors have contributed to this situation. First, there has been a rather rapid recovery in employment and an even more rapid increase in average hours worked per week in industry with a corresponding increase in personal earnings. The fact that personal income declined only slightly during the recession period and has since increased to record levels is another significant factor. Still another is the condition of consumer credit which has resulted as consumers, during most of 1958, paid off their instalment debts at a faster rate than they made new purchases

In the first half of 1959, we expect the year-to-year gain in department store sales will be greater than the gain recorded in the recent Christmas season because the comparison will be with the relatively low level of sales of early 1958. We anticipate increases of four to five percent over the 1958 sales figures, sufficient to set new records for that season of the year. Sales gains in major electrical appliances and in hard goods as a whole may be somewhat more than the average gain because these sales lagged last year.

During this period we do not expect any significant increase in the price of goods sold in department stores. These prices have been quite stable for the past six years as indicated by the Special Department Store Inventory Price Index prepared by the Bureau of Labor Statistics which shows very little change from 1952 to 1958.

The consumer price index for apparel shows only a one per cent increase in apparel prices between 1952 and 1958. The consumer price index for home furnishings shows a decrease between 1952 and 1958.

This indicates the department store industry has been waging an effective fight against inflationary trends and it is our hope this record will be maintained and extended.

In general we anticipate a steady upward trend rather than an explosive boom. We are likely to have a more moderate rate of climb in production and employment during the first half of 1959 than we witnessed in the rapid recovery from the low point of the recession in early 1958. Recovery will undoubtedly be healthier if steady rather than feverish.



President, Collins & Aikman Corporation

There are several factors that will influence the success of the woven upholstery fabric industry during the year 1959. Volume is necessarily dependent on the amount of new home construction, by the number of automobiles built, and by the replacement or recovering of upholstered furniture in the home. Indications are that home construction and automobile production will be at a satisfactory level during the coming year. A high level of consumer income, which is generally predicted, means that the public increases its replacement of furniture. Basing a volume prediction on these factors would lead us to believe that our industry's volume will continue at the present level and perhaps better 1958 figures.

Another factor that bodes well for our future are signs that the industry has a growing awareness of the public's desire for more attractive home surroundings. 1959 will undoubtedly reveal a greater effort for more imaginative styling. I do not mean that we are attempting to create obsolescence of the goods sold over past years but rather it will be an effort to fulfill the desires created by such media as television, home service magazines and newspapers. A greater investment in creative talent by the industry appears to be certain.

However, volume alone does not assure a profitable year for the industry. In a field that historically has been over-produced, low markups have too frequently turned a good volume year into one of low earnings. A factor that might offset these favorable factors is a continuation of low quality, low priced fabrics for the furniture industry. Regardless of economic conditions, the merchandising of upholstered furniture at the retail level has been largely that of price. Recently costly adjustments resulting from this policy have been strongly felt by the retail dealer and furniture manufacturer alike. Fortunately the furniture industry is now showing an increasing interest in better quality goods which not only gives the textile manufacturer a higher dollar volume but also a generally better markup. Should a strong trend for these better goods evidence itself during the coming months, the industry could improve its earnings measurably.

Volume in the automotive industry will improve if the forecast of the experts in Detroit is correct in its prediction of higher volume for the '59 models. Quality and markup for automotive fabrics will remain the same. However, volume may be further increased by a trend from vinyl to woven fabrics in the '59 and '60 model cars. Several '59 models have a larger area trimmed in woven fabrics than was true last year.

In such a highly volatile and unpredictable industry as ours, I will only say that we at Collins & Aikman are looking forward to 1959 with cautious optimism.



Ralph Lazarus

## EDMOND H. LEAVEY President, International Telephone and Telegraph Corporation

The remarkable growth and technological advances in the electronics and communications fields show no sign of slowing down and it is evident that the year 1959 will be on a higher plane of activity than 1958 for com-

panies in these industries. The expanding role of electronics in defense has given the whole industry impetus. The electronics portion of military weapons and facilities has steadily increased and has become so important that the government now handles electronics under the systems concept, an approach that is also gaining acceptance by commerce and industry.

It is now clear than transportation facilities particularly aviation, have outstripped control and communications systems and that these must be brought into phase—a task that will stretch over a decade or more. This area alone will require the services

area alone will require the services and ingenuity of many thousands of engineers, technicians, managers, and other employees.

Edmond H. Leavey

There are many active areas in our business. To mention a few, International Telephone and Telegraph Corporation is exploring such interesting fields as solid state physics, where we have developed a process for refining silicon to a state of purity unequaled commercially heretofore; parametric amplification, which extends the communications "reach" in over-the-horizon television and telephony, and the extension of electronics into telephony to increase the capacity of existing systems and make new ones more efficient.

As we look overseas, where ITT's major manufacturing operations and markets exist, the long range picture encourages optimism despite the major clashes of ideologies and acute temporary crises in certain areas. There is a long term rise in the level of sales in most countries abroad and the higher standard of living that is being achieved by many peoples inevitably brings the demand for better, more reliable communications and the increasing application of electronics to industry and day to day life

We can expect a continued accelerated rate of economic and industrial development on other continents

Continued on page 76

### Text of President's State of the Union **Message to Congress**

sary for maintaining growth and price stability.

Studies are being undertaken to improve our information on prices, wages, and productivity.

I believe all citizens in all walks of life will support this program of action to accelerate

program of action to accelerate economic growth and promote price stability.

#### Ш

I take up next certain aspects of our international situation and our programs to strengthen it.

America's security can be assured only within a world community of strong, stable, independent nations, in which the concepts of freedom, justice and human dignity can flourish.

There can be no such thing as Fortress America. If ever we were reduced to the isolation implied by that term, we would occupy a prison, not a fortess. The question whether we can afford to help other nations that want to defend their freedom but cannot fully do so from their own means, has ony one answer. We can and we must, we have been doing so since 1947.

Our foreign policy has long been dedicated to building a permanent and just peace.

During the past six years our free world security arrangements have been bolstered and the bonds of freedom have been more closely knit. Our friends in Western Europe are experiencing new internal vitality, and are increasingly more able to resist external threats.

#### Won't Countenance Aggression

Over the years the world has come to understand clearly that it is our firm policy not to countenance aggression. In Lebanon, Taiwan, and Berlin — our stand has been clear, right, and expressive of the determined will

of a united people.

Acting with other free nations we have undertaken the solemn obligation to defend the people of free Berlin against any effort to destroy their freedom. In the meantime we shall constantly seek meaningful agreements to settle this and other problems, knowing full well that not only the integrity of a single city, but the hope of all free peoples is at

We need, likewise, to continue helping to build the economic base so essential to the free world's stability and strength.

#### Lauds World Bank and Fund

The International Monetary Fund and the World Bank have both fully proven their worth as instruments of international financial cooperation. Their executive directors have recommended an increase in each member country's subscription, I am requesting the Congress for immediate approval of our share of these increases.

We are now negotiating with representatives of the 20 Latin American republics for the creation of an inter-American financial institution. Its purpose would be to join all the American republics in a common institution which would promote and finance development in Latin America, and make more effective the use of capital from the World Bank, the Export-Import Bank, and private sources.

Private enterprise continues to make major contributions to economic development in all parts of the world. But we have not yet marshalled the full potential of American business for this task, ..... particularly in countries which

have recently attained their in-mutual security program public dependence. I shall present to this health officials are being trained Congress a program designed to by American universities to serve encourage greater participation in less developed countries. We encourage greater participation in less developed countries. We by private enterprise in economic are engaged in intensive malaria development abroad.

#### Combatting Disease Abroad

sary for maintaining growth and to advance the cause of freedom we must do much more than help build sound economies. The spiritual, intellectual, and physical strength of people throughout the world will in the last analysis determine their willingness and their ability to resist Communism.

To give a single illustration of our many efforts in these fields:

We have been a participant in the effort that has been made over the past few years against

eradication projects in many parts of the world. America's major successes in our own country prove the feasibility of success everywhere.

By these and other means we shall continue and shall continue and expand our campaign against the afflictions that now bring needless suffering and death to so many of the world's people. We wish to be part of a great shared effort toward the triumph of health.

America is best described by

ever mindful of how our own power in labor-management conduct reacts elsewhere. No nation has ever been so floodlighted by world opinion as the United States is today. Everything we do is carefully scrutinized by other peoples throughout the world.

But as free men we are also responsible for correcting the errors and imperfections of our

#### Labor Legislation Program

Last January I made comprehensive recommendations to the Congress for legislation in the labor-management field. To my disappointment, Congress failed to act. The McClellan Committee over the past few years against one word, freedom.

to act. The McClellan Committee one of the great scourges of man— If we hope to strengthen freedisclosures of corruption, rack-kind—, disease. Through the dom in the world we must be eteering, and abuse of trust and

fairs have aroused An amazed other peoples. phasized the need for local law enforcement a enactment of effective l peoples throughout the world. legislation to protect the The bad is seen along with the interest and to insure the good.

Because we are human we err. of American workers. Half measures will not do. I recommend prompt enactment legislation designed:

To safeguard workers' funds union treasuries against misuse any kind whatsoever.

To protect the rights and free doms of individual union members, including the basic right tree. and secret elections

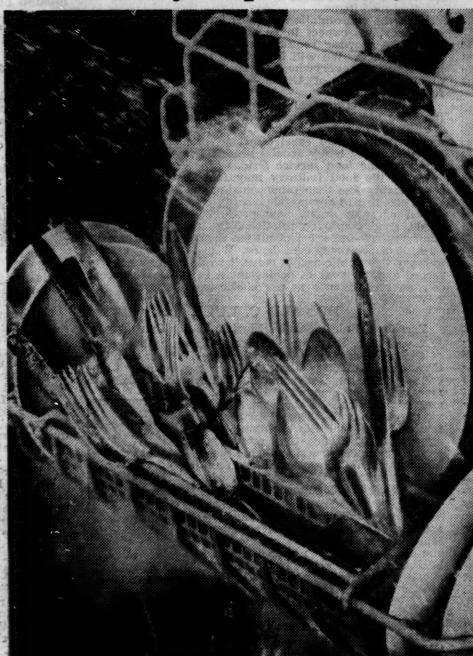
To advance true and responsi-ble collective bargaining.

Continued on page 77

## how metals from

## ANACONDA

affect you personally



HOTTER WATER FOR LAUNDRY AND DISHES is now possible from dual-temperature domestic water heaters with tanks made of Cupro Nickel-755. Using this strong, corrosion-resistant copper alloy specially developed by Anaconda, these modern heaters can deliver regular hot-water requirements plus super-hot water for laundry and dishwasher at temperatures which ordinary heater tanks can withstand only for short periods.



NEW, LOW-COST DRAINAGE TUBES of copper are the result of years of practical development. Copper drain, waste and vent lines are lighter, smoother, longer-lasting, and cost less to install. Connections are soldered quickly, permanently, with no threading or caulking. Use has increased remarkably in the past three years.



BETTER FOOD PREPARATION is within easy reach when restaurants and hotels use Chef-Foil®, Anaconda's Aluminum Wrap. In cooking, freezing or storing, spoilage is reduced and foods' peak flavor is retained...This is just one example of Anaconda's new and extensive line of aluminum products.

Anaconda's entire line of nonferrous metals and metal products, both in industry and in the home, illustrates what Anaconda is always striving for . . . new ways to do things better . . . more value for less money.

## ANACOND

PRODUCERS OF: COPPER . ZINC . LEAD . ALUMINUM . SILVER GOLD - PLATINUM - PALLADIUM - CADMIUM - SELENIUM - TELLURIUM URANIUM OXIDE . MANGANESE . ARSENIC . BISMUTH . INDIUM

because, as populations abroad push for a better life through industrialization, they will be able, in many in-stances, to collapse time by adopting proven techniques, methods and products. The European Common Market plan is a significant step in the direction of less inhibited world trade—and this should be of immediate benefit to companies such as ITT which already have plants and sales operations in those markets.

It seems to me that the horizons of electronics and communications are now as limitless as some of the space and missile projects which have captured the public imagination and the headlines. The feat of having an American President's Christmas message to the world relayed from a satellite spinning around the earth every 100 minutes is a symbol of the ever-widening scope of

electronics and communications.

#### G. V. LEECE President, Gardner-Denver Company

Our company is expecting some increase in business in 1959 over the volume of 1958 sales. However, we do not anticipate it will quite reach the level of 1957 sales or earnings.

We anticipate some increase in profits, even though we are of the opinion both materials and labor will show higher costs. These increased profits will come through increased production and plant economies.



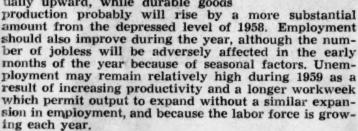
G. V. Leece

#### HOMER J. LIVINGSTON President, The First National Bank of Chicago, Chicago, Illinois

The decline in business activity experienced by the nation during late 1957 and early 1958 was the sharpest of the postwar period, but it is significant that the recovery began earlier and progressed more rapidly than was

commonly expected. As a result, the economy was rising during most of 1958 although some indicators of business activity at the year-end were still below previous highs.

The new year begins with improving business conditions in almost every sector. Personal income, which fell only slightly during the recession, has risen substantially and undoubtedly will show further improvement in 1959. Industrial production has been moving upward steadily and should continue higher. Output of nondurable goods, which fell only mildly during the business downturn, is likely to continue gradually upward, while durable goods



Consumer buying, which accounts for about two-thirds of the total purchases of goods and services in our economy, should rise during the year, reflecting the larger incomes and probable increased use of consumer credit. As much of this increase in spend-ing power will become available for discretionary purposes, it is distinctly possible that a large share of the increase will be spent for durable goods. Business expenditures, accounting for approximately 15 per cent increased sales will require businessmen to restock their shelves. Surveys of spending plans by businessmen for plant and equipment also indicate a slight increase in this important economic area. Spending by federal, state and local governments. which accounts for about 20 per cent of total purchases of goods and services, also is continuing upward. Thus, it appears that 1959 will be characterized by rising business activity and expansion.

The existence of a fairly substantial deficit in the federal budget during a period when business is at a relatively high level and is expanding is one of the most important economic problems that confronts us. A deficit during such periods makes monetary and debt management difficult and creates other serious economic problems. If all segments of the economy moderate their demands on government, the deficit can be reduced and later eliminated. On the other hand, if we consider that the present magnitude of spending is required for our security and welfare, then we should be ready to furnish the revenues necessary to finance these expenditures and thereby eliminate recurring federal deficits. This action would be constructive in strengthening and developing our domestic economy and in preventing a continuous erosion in the purchasing power of the dollar.

The United States, as an important nation in world affairs, has a large obligation to all countries. Keeping expenditures in line with receipts-either by reducing disbursements or increasing tax revenues, or by a com-

bination of both-is fundamental in good fiscal management, especially with improving business. A sound fiscal policy and balanced budget would be evidence to the rest of the world that we are determined to maintain a sound currency. Furthermore, such fiscal management in this country would encourage other countries con-fronted with the same problems to take decisive action with corrective measures.

#### J. C. LOFTIS

## President, Kraft Foods, Division of National Dairy Products Corp.

By meeting the increasing needs of a growing population with greater efficiency in manufacturing, sales and distribution in 1959, we may expect another year of new and successful achievements for our company. With the

addition of new products to our growing line and with strong advertising and merchandising efforts, we hope to capitalize on the demand for high quality foods.

Mindful of current areas of population growth, Kraft shows recognition of the sales potentials in such expanding markets as the West Coast and Canada. The full operation of the new Kraft plant in Buena Park, California, is expected in February, and in Canada plans are now underway for an extensive addition to the Kraft plant at Mount Royal, near Montreal.

Kraft's plans for the introduction of new products is reflected in the

expansion of National Dairy's Research and Development Division laboratories at Glenview, Illinois. Enlargement of the laboratories will result in the introduction of several new products now in the testing stage, new packaging developments and certain improvements for existing food items.

With the consolidation of sales territories for greater efficiency, we expect to be able to meet with greater speed the growing requirements for our vast range of food products. We will be able to serve the merchant and consumer everywhere—even in the remotest areas of our new State of Alaska - more rapidly and more

Kraft, like other major food enterprises, may expect its share of the increase in institutional sales in 1959. Within recent years, we have been directing more and more attention and sales effort to this area with the introduction of many special products in volume packaging for the food service field.

We in the food industry may feel that we suffered considerably less than others during the 1958 recession. We credit this to our merchandising efforts, our consolidation of sales areas, new products, newly-packaged goods, good employee relations, the teamwork of our management-but most of all we regard our success as a result of consumer confidence. With increasing efforts to serve this public and to serve it well, we may hope to record another year of achievement in 1959. We accept consumer confidence as our challenge to grow.



Homer J. Livingston

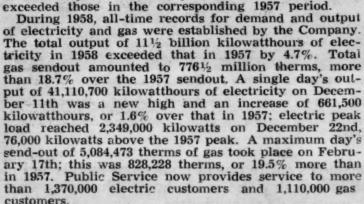
#### DONALD C. LUCE

#### President, Public Service Electric & Gas Company

A year ago, we stated our confidence in the future of the area served by Public Service Electric and Gas Company. Reflecting that confidence were our plans calling for a huge investment of funds in facilities to

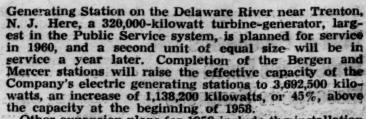
meet customers' demands for electric and gas service. In the past year, we spent about \$125,000,000 for electric and gas facilities, bringing to almost \$650,000,000 the amounts expended for construction during the last six years. Our present plans for 1959 contemplate the investment of about \$160,000,000 more in plant during the year.

The great diversity of industry and the establishment of many new industries and research centers in our area, softened the impact of the business decline early in 1958. In every month since June, 1958, sales of electricity for industrial purposes



Donald C. Luce

To meet the continuing growth in demands for electric and gas services, we are proceeding in 1959 with an unprecedented construction program. Among the major projects is the new \$110,000,000 Bergen Generating Station, now nearing completion at Ridgefield, N. J., where the first of two 290,000-kilowatt turbine-generating units is scheduled for initial operation in the Spring of 1959, with the second unit to follow later in the year. Progress continues on the new \$130,000,000 Mercer



Other expansion plans for 1959 include the installation of 24,000 additional electric meters, 5,500 street lights, 3,000 miles of wire and 7,000 distribution transformers and approximately 12,000 additional poles.

During 1958, more than 25,000 gas heating customers were added, bringing the total number to approximately 245,000. To meet the increased demands of 27,000 more heating customers expected to be added in 1959, as well as the increased demands for gas for other purposes, substantial additions and improvements to the ga properties are planned for the year. These include the installation of more than 28,000 gas meters, 11,000 service regulators and 300 miles of mains.

About one-third of the Company's gas customers are resently supplied with straight natural gas. Plans for 1959 contemplate converting appliances of 146,000 more customers to use straight natural gas. Upon completion of this program, about 490,000 customers will be served with straight natural gas.

Our program of expansion requires large amounts of capital and with operating costs continuing to rise, Public Service, in 1958, filed petitions for increases in gas and electric rates. The New Jersey Board of Public Utility Commissioners has suspended until March 15, 1959, the effective date of the increases, meanwhile holding hearings.

The outlook for business in 1959 appears to be promising. We face the new year with every confidence in the future of Public Service Electric and Gas Company and of the area served in the State of New Jersey because of the great diversification of industry, concentration of research, excellent transportation facilities, and fine residential and shopping areas.

#### ROBERT S. MACFARLANE

#### President, Northern Pacific Railway Company

General business conditions in Northern Pacific Railway's territory, largely keyed to the prosperity of producers of agricultural commodities, should be at a relatively high level in 1959 because of the bountiful 1958

crops and the highest livestock prices since the close of the Korean War. Only the potato growing districts, where prices have been ruinously low, have not shared in this general prosperity. Generally, we look for a keen demand for farm machinery and supplies, building materials and equipment and materials for home modernization and improvement.

Housing starts, expected to remain at about 1958 levels or to show a modest improvement, point to a continuing healthy market for lumber and lumber products.

Northern Pacific's substantial 1959 budget for new equipment and improvements will also have an impact

on the area economy since most of the money will be spent on the railway's territory. Largest item is an expenditure of \$12 million for new freight cars, most of which will be built at NP's Brainerd, Minn., shops. We are fairly optimistic about Northern Pacific's out-

look for 1959. A heavier grain movement is anticipated this year since interior storage of grain in country elevators, government bin sites and on farms on Jan. 1 exceeded that of any recent year. As a result, substantial shipments of grain should take place in the second and third quarters of 1959 to make room for the new crop.

We also look for some increase in livestock movement late in the spring because large numbers of young stock, now in feed lots, should be ready for market during the spring, summer or early fall.

The relatively high level of housing starts predicted for 1959 indicate a substantial volume of lumber traffic.

#### H. E. MacDONALD

#### President, Household Finance Corporation

The year 1958 was a year of adjustment for consumers -which inevitably affected the operations of all companies in the consumer credit field, including Household. In a year characterized in part by substantial unemploy-



time, a significant percentage of American families found that they could not meet contractual obligations according to schedule. Delinquency naturally rose. Under such circumstances, our managers have been instructed to treat each case on its merits, with due consideration for the welfare of the individual family. Accounts believed to be uncollectable rose, and charges-off (net, after recoveries) approximated 1.75% of average loan balances for the year, as compared with 1.26% in 1957.

ment and by the elimination of over-

We ended the year 1958 with about H. E. MacDonald

1,650,000 accounts on our books, totaling about \$575,000,000—a decrease of less than 1% for the year. The unpaid balances of these loans average about \$340. We now have 958

Continued on page 78



Robert S. Macfarlas

### **Text of President's** State of the Union **Message to Congress**

To protect the public an in-nocent third parties from unfair and coercive practices such as boycotting and blackmail picket-

The workers and the public must have these vital protections. In other areas of human rights freedom from discrimination in voting, in public education, in access to jobs, and in other respects—the world is likewise

watching our conduct.

The image of America abroad is not improved when school children through closing of some of our schools and through no fault of their own, are deprived of their opportunity for an edu-

"Equal Opportunity Under Law"

The government of a free peo-The government of a free people has no purpose more noble than to work for the maximum realization of equality of opportunity under law. This is not the sole responsibility of any one branch of our government. The judicial arm, which has the ultimate authority for interpreting the Constitution, has held that the Constitution, has held that certain state laws and practices discriminate upon racial grounds and are unconstitutional. Whenever the supremacy of the Constitution of the United States is challenged I shall continue to take every action necessary to uphold

One of the fundamental concepts of our constitutional system is that it guarantees to every individual, regardless of race, religion, or national orgin, the equal protection of the laws. Those of us who are privileged to hold public office have a solemn obligation to make meaningful this inspiring objective. We can fulfill that obligation by our leadership in teaching, persuading, demonstrating, and in enforcing the

We are making noticeable prog-ress in the field of civil rights we are moving forward toward achievement of equality of opportunity for all people everywhere in the United States. In the interest of the nation and of each of its citizens, that progress must

Plans New Civil Rights Program

Legislative proposals of the Administration in this field will be submitted to the Congress early in the session. All of us should help to make clear that the government is united in the common purpose of giving support to the and the decisions of the

By moving steadily toward the goal of greater freedom under law, for our own people, we shall the better prepared to work for the cause of freedom under law throughout the world.

All peoples are sorely tired of the fear, destruction, and the waste of war. As never before, the world knows the human and material costs of war and seeks to replace force with a genuine rule

of law among nations. It is my purpose to intensify efforts during the coming two years in seeking ways to supplement the procedures of United Nations and other bodies with similar objectives, to the end that the rule of law may replace the rule of force in the affairs of nations. Measures toward this end will be proposed later, including a re-examination of our own relation to the International Court of Justice.

Finally - Let us remind ourselves that Maxist scripture is not new; it is not the gospel of the future. Its basic objective is dictatorship, old as history. What is new is the shining prospect that

man can build a world where all

can live in dignity.

We seek victory — not over any nation or people—but over the ancient enemies of us all; victory over ignorance, poverty, disease and human degradation where-ever they may be found.

We march in the noblest of causes-human freedom.

If we make ourselves worthy of America's ideals, if we do not forget that our nation was founded on the premise that all men are creatures of God's making, the world will come to know that it is free men who carry forward the true promise of hu-man progress and dignity.

DWIGHT D. EISENHOWER The White House,

Jan. 9, 1959.

#### San Diego Gas & Elec. Debentures on Market

An underwriting group headed by Salomon Bros. & Hutzler on Jan. 9 offered publicly \$15,000,000 of San Diego Gas & Electric Co. 45% sinking fund debentures due Jan. 15, 1984 at 100%. The group was awarded the issue at competitive available. tive sale Jan. 8 on a bid of 99.182%.

Net proceeds from the sale of the debentures will be added to general corporate funds of the company and applied toward the

000,000 at the time of receipt of of interest on the debentures of the proceeds from today's offering. fered on Jan. 9.

the proceeds from today's offering.
Commencing in 1964 the debentures will have the benefit of an annual mandatory sinking fund equal to 2½% of outstanding debentures; and at its option the company may pay into the sinking fund, also beginning in 1964, an additional sum up to the amount of the mandatory sinking payment. For the sinking fund the debentures will be redeemable at 100% and accrued interest. They also will be optionally redeemable at any time at prices ranging from any time at prices ranging from 104.63% to 100%, except that they cost of property additions. The may not be redeemed prior to Jan. company proposes to prepay term 15, 1964 through proceeds of a recompany proposes to prepay term 15, 1964 through proceeds of a rebank loans obtained for tempo-funding operation involving the Laner has joined the staff of rary financing of such additions incurring of debt which has an Leason & Co., Inc., 39 South La and expected to aggregate \$15,- interest cost of less than the rate Salle Street.

The company is an operating public utility engaged principally in the generating and distributing of electric energy in San Diego County, Calif. and in a part of Orange County, and the purchasing and distributing of natural gas in the City of San Diego and other communities in western San Diego

County.

Gross revenues of the company during the 12 months ended Sept. 30, 1958 were \$57,665,000 and net income was \$6,411,000.

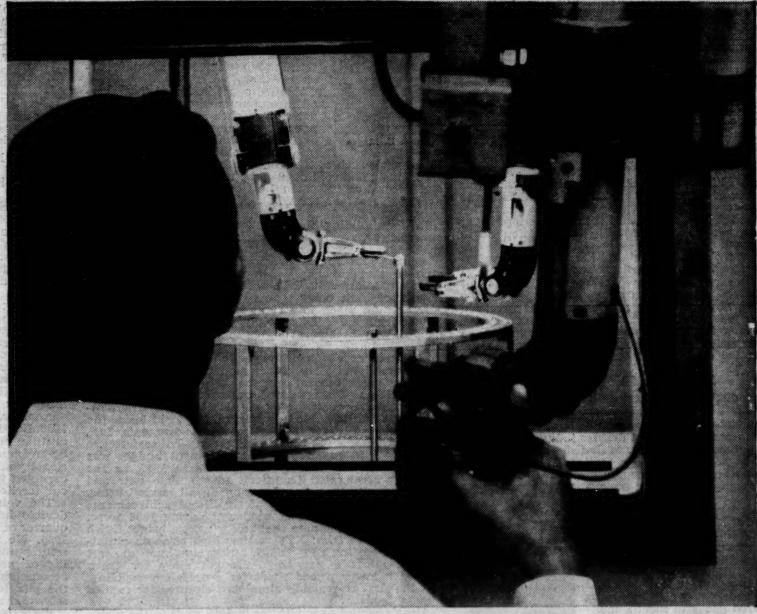
Joins Leason Co.

NEWS ON TEXACO PROGRESS-RESEARCH

# Oil research from test tube to radioactive cobalt



YESTERDAY. Decades ago, Texaco scientists worked with relatively crude laboratory equipment, as they probed the fundamental mysteries of oil. Nevertheless - though early oil research was primitive it resulted in important improvements in petroleum products. Many of these improved products were pioneered by Texaco.



TODAY. Texaco scientists continue their search for basic petroleum knowledge, now using such ultramodern tools as radioactive Cobalt-60 in one of the world's most fully-equipped industrial research laboratories. This is only part of Texaco's great research center at Beacon, N. Y., one of the Company's four modern research centers. Hundreds of Texaco scientists are continually working to create new and better products for more and more people.



offices serving families in 666 cities in 39 states, and in all 10 provinces of Canada.

During 1958, we opened 67 new offices—53 in cities not previously served, including offices opened in Hawaii, South Carolina, and Mississippi for the first time. Thus, we have placed ourselves in a position to serve a wider group of customers more effectively. In 1959, we expect to continue to open additional offices wherever favorable opportunities appear, and to modernize and relocate offices wherever the public can be

American families hesitate to obligate themselves when they have misgivings with respect to their ability to meet their obligations on schedule. These conditions exist during a period of significant unemployment. However, families which have experienced unemployment during which debts have piled up, turn to cash lenders, such as Household, to secure funds with which to set their financial house in order as soon as they become reasonably assured of their future regularity of income. We look forward to development in 1959 with confidence.

#### MARTIN MACK

President, Reading Tube Corporation

As in the case of our domestic economy in general, 1958 was a year of transition for the copper and copper fabricating industry and for Reading Tube Corporation. As 1959 gets underway there is every reason to believe that the gains will be extended. From



Martin Mack

the unprecedently high level of 46 cents a pound in effect early in 1956 the domestic price of copper continued its precipitous decline into 1957, finally rallying in mid-June from the low point of 25 cents a pound to the 29-30 cents level reached in November. The recovery resulted from a healthy change in the demand-supply equation. The demand for the red metal improved as the general economy strengthened, and stocks of the metal were sharply reduced as a consequence of drastic production cut backs by the world's major producers. Supplies were restricted also by strike stop-

page of production. New properties to be brought into operation in the years just ahead reasonably assure copper supplies ample to prevent an early recurrence of a runaway price market. The assurance of sufficient copper stocks, and the promise of higher level of demand for the red metal afford basis for confidence in viewing the outlook for the copper and copper products industry. One of the most constructive elements in the outlook is the continuing uptrend in the building industry which is an important outlet for copper products. A rising demand for such products is being spurred also by improving conditions in the refrigeration, air conditioning, automotive, heating and other original equipment industries.

The change for the better in the copper industry in 1958 was demonstrated quite convincingly by Reading Tube Corporation. Although the company got away to a poor start, subsequent dramatic gains brought their sales and earnings for the entire year to the highest levels in the company's history. Contributing to this showing was the beginning of commercial production of billets in the company's new electrolytic copper refinery in June. This refinery, the first to be built east of the Mississippi River in 55 years, provided a flexibility of operation never before enjoyed.

Reading Tube's Reddi-Fin division, which manufactures integral fin copper tubing for use in heat exchangers and other applications where the fast transfer of heat is required, also made progress last year, as did the Mackenzie Walton division, manufacturer of precision seamless, non-ferrous tubing used in fine instruments. Both divisions use the parent company's tubing, and both are expected to make a good contribution to the progress of the consolidated company in 1959.

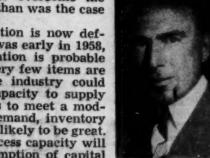
#### SIDNEY MAESTRE

#### Chairman of the Board, Mercantile Trust Company, St. Louis, Missouri

At the outset of every new year it is always possible to observe forces which might depress industrial activity. At the same time, it is possible to find signs of improving activity. The year 1959 is no exception. However, there does seem to be a greater degree of optimism about the power of the ex-

optimism about the power of the expansionary forces to overcome the deflationary forces than was the case in the start of 1958.

Inventory liquidation is now definitely less than it was early in 1958, and some accumulation is probable in 1959. Because very few items are scarce and because industry could utilize its excess capacity to supply manufactured goods to meet a moderate increase in demand, inventory accumulation is not likely to be great. The existence of excess capacity will also delay the resumption of capital investment by business enterprise. It is significant, however, to note that,



Sidney Maestre

as in the case of inventories, capital expenditures for plant and equipment have apparently declined as far as they will, and some sign of slight improvement may be observed later in the year. Since these were two of the important causes of the 1957-58 recession, the fact that they are no longer in a declining phase is one of the reasons for renewed optimism.

The fact that some types of expenditure are no longer declining is not the only reason for optimism about the trend of industrial activity. Expenditures in some sectors of the economy are increasing sharply. Construction expenditures in 1959 are expected to increase. Private non-residential expenditures will decline again but residential expenditures and public expenditures are expected to advance sharply. Governmental expenditures at all levels will advance. Expenditures by state and local governments have been increasing for several years, and there is little likelihood that there will be any decrease over the next several years. Expenditures by the Federal Government will also rise. National security expenditures as well as aid to our allies will result in an increase in 1959. Likewise, the non-military programs of the Federal Government are expanding. Federal ex-

national crisis in Europe.

The real problem revolves about the behavior of consumers. Personal income was little affected by the recession and now it is at an all-time high. Expenditures for services have been advancing steadily and the amount spent for non-durable goods has also increased. Expenditures for durable goods, however, declined mainly as the result of the decline in automobile sales. Originally, it was expected that 1959 would see a substantial increase in automobile sales, but that optimism has now been tempered.

penditures will also be affected by the developing inter-

There is a renewed fear of inflation and the monetary authorities are likely to attempt to take measures to curb it. They cannot, however, achieve this objective without assistance from other groups in the economy. Monetary policy may, therefore, exert great influence on business activity, and the possibility of higher interest rates should not be overlooked. In summary, 1959 is likely to be a year of improving business activity, and also one in which international political developments may have a substantial impact on business trends.

## FRANK L. MAGEE President, Aluminum Company of America

We anticipate that the upward trend of aluminum consumption since the 1958 first quarter low will continue in 1959 and that shipments to consumers part year

tinue in 1959 and that shipments to consumers next year will exceed the 1958 totals by better than 10%.

During 1958 the company and the industry as a whole were encouraged by the apparent increase in use of aluminum per unit of durable goods produced. Growing applications for

aluminum per unit of durable goods produced. Growing applications for the metal in such fields as passenger automobiles and building construction offset to some degree the sharply reduced output of many aluminum-consuming durables during the 1957-58 recession.

Final surveys indicated that average use of aluminum in 1958 passenger cars reached approximately fifty pounds, an increase of nearly 25% over 1957. Aluminum found its way into an increasing number of func-

tional parts such as the front wheel brake drums on the 1958 Buick, and continued to be used for still more trim and decorative parts. In 1959 use of aluminum in the average passenger car will again register a substantial

Frank L. Magee

In the building field, National Homes Corporation announced that its aluminum-clad "Viking Line" homes will be marketed early in 1959. Designed in cooperation with Alcoa, these moderately priced homes will be available in three models which use from 1,400 to 3,000 pounds of aluminum. Usage of aluminum in the average new home built today is less than 100 pounds.

Aluminum made important inroads in the electrical field during 1958. Attractively-priced Alcoa aluminum magnet wire became available for such devices as motors, solenoids, and generators. Growing numbers of manufacturers of electromagnetic devices also began using aluminum strip windings for transformers and miscellaneous electrical equipment. In an effort to speed the development of insulated coatings and winding techniques for the production of electrical coils from aluminum strip and foil, Alcoa purchased the facilities of the Transformer Division of Automation Instruments, Inc., and installed them at the Alcoa Research Laboratories.

Alcoa's 1958 research and development budget was 14% higher than actual expenditures in 1957, as the company accelerated its efforts to stimulate new and broader applications for aluminum in all market areas. Included among a number of significant achievements of Alcoa research and development during 1958 were: X5457, a new aluminum sheet alloy with a bright finish for automotive trim; X250, a new high strength aluminum sand casting alloy; X385, a new aluminum die cast bearing alloy; a new high-strength alloy for truck bodies; a lower priced sheet for porcelain enameling; and the first re-sealable aluminum closures for canned infants' foods.

Alcoa's capital expenditures in 1958 were in the vicinity of \$85 million, as the company continued to modernize and expand its facilities where necessary to meet anticipated market requirements.

At the company's Alcoa (Tenn:) plant, construction began on a new unit for the production of roller coated aluminum sheet in widths exceeding any previously available in this product. Prospects for substantial market growth for enameled sheet in industrial roofing, awnings, and refrigerator shells prompted this move.

First step toward modernization and enlargement of company facilities at Badin, N. C., were taken during 1958. This improvement of smelting and related facilities was made possible by the granting of a 50-year license to Alcoa by the Federal Power Commission approving construction of the Tuckertown Dam on the Yadkin River.

Alcoa's Massena (N. Y.) smelting plant became the first industrial consumer of electricity from the St. Lawrence Project of the Power Authority of the State of New York in September, 1958. Two new potlines also began operating there during the year, one in September and the other in October. Concurrent with the initial use of power from the St. Lawrence Project, Alcoa shut down its old Massena smelting and hydroelectric facilities, some of which began operating 55 years ago.

With aluminum favorably priced and with abundant supplies assured by steadily increasing primary smelting capacity, Americans will continue to enjoy the benefits of this versatile metal in more ways than any other people in the world. Alcoa's network of sales offices and extensive research, development and marketing facilities are available to all existing and potential users seeking assistance in the design and promotion of new products, or the selection of proper alloys or processes. Through such cooperative efforts, Alcoa expects to achieve significant gains for aluminum in many market areas during 1959.

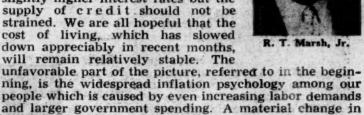
## ROBERT T. MARSH, JR. President, First and Merchants National Bank of Richmond, Virginia

A look at the business picture for 1959 gives rise to encouragement in may ways but the picture is not without some shady spots.

The recovery which appears to have started in April, 1958, will probably continue at a

1958, will probably continue at a mild pace for a good part of the year. Economists are predicting that new highs will be reached in production and spendable income. It seems to me, though, that the recovery percentage-wise will be on the low side. This, in my opinion, is good rather than bad in that we will not rapidly pitch into another boom. Banks can look for slightly increased demands for credit which will probably mean slightly higher interest rates but the supply of credit should not be strained. We are all hopeful that the cost of living, which has slowed down appreciably in recent months, will remain relatively stable. The

is in prospect.



As a whole, 1959 should be better than 1958 which, in fact, was not too bad.

neither of these factors (which cause a rise in prices)

H. L. MANN

#### President, Iowa Southern Utilities Company

We at Iowa Southern are optimistic about business prospects for 1959. We had a good crop year in our territory in 1958, largely because of generous rainfall. This will be reflected in the farmers' income in 1959

since much of the grain and forage will be fed to livestock on the farms where the crops were raised. Large numbers of livestock have been raised for feeding and this may depress the price somewhat if the market does not readily absorb them.

The economy of our area, while still tied closely to agriculture, is making good progress in number of new industries as well as in increased volume of industrial production. This evolution is important because of the resulting diversity of income sources. The prospect for more new industries in 1959 is promising.

Another reason for optimism for 1959 lies in what appears to be a general change in attitude on the part of our customers. There seems to be an improved outlook on the part of workers, professional and business people. Consumer confidence is expected to play an important role in 1959 business in our territory.

The volume of sales of gas and electric consuming devices has increased substantially during the fourth quarter of 1958 and we feel this trend will carry through 1959. We and our dealers are planning an aggressive selling program during the new year. A substantial backlog of prospective gas space heating customers has accumulated. With greater supplies of natural gas from the pipelines, this will make for more growth in gas

sales and revenues.

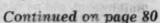
We expect that our normal growth rate for electric sales of between 5% and 6% will be resumed in 1959.

This rate of growth results in doubling the sale of elec-

tricity every ten years.

Inflation and higher taxes are of primary concern.

Five Iowa companies, including Iowa Southern, entered into a power interchange agreement on July 1, 1958. This arrangement will in time partially offset increases in





H. L. Mann

# For Goodbody in Chi.

CHICAGO, Ill.-Roger E. Williams, Jr. has been appointed resi-



dent manager of the Chicago of-fice of Goodbody & Co., 1 North La Salle Street, it has been announced by Leonard J. Paidar, Chicago partner.

He has been a registered representative with Goodbody since

### W. H. Green President Of Mutual Funds **Underwriting Firm**

ST. LOUIS, Mo. - William H. Green, a veteran of the insurance and investment company fields, has been named President of Mutual Fund Distributors, Inc., 403 Olive Street.

The appointment places him in charge of all business transactions involving sales of shares of the Managed Funds Inc. group by broker-dealer organizations throughout the country.

Before assuming his new post, Mr. Green had been with Federal Life and Casualty Co. of Battle Creek, Mich. for two years as director of institutional sales.

Since 1946, he has been an executive with a number of insurance firms, two of which were organized by him. In recent years, he has also been active in the mutual fund field, both as a registered representative and as an insurance company officer responsible for developing optional group life insurance coverage for a number of mutual fond contractual plans.

#### With La Hue Inv. Co.

(Special to THE PINANCIAL CHRONICLE) ST. PAUL, Minn. - Harry E. Huseby is now with La Hue Investment Co., Pioneer-Endicott Arcade.

#### Hubert E. Rogers

Hubert E. Rogers passed away Dec. 31. Mr. Rogers was one of the founders and former Chairman of the board of the New York Hanseatic Corporation.

#### Integrated Investors

Integrated Investors Services, Inc. has been formed with offices at 405 Park Avenue, New York City, to engage in a securities business. Officers are Ronald B. Durning, President; Victor E. Refalvy, Vice-President; and Francis L. Farrell, Secretary-Treasurer

#### With First Southern

(Special to THE PINANCIAL CHRONICLE) - ATLANTA, Ga.-Lee A. Dudley has joined the staff of First South-

#### ern Corp., 70 Fairlie Street, N.W. Walls Assoc. Adds

(Special to THE FINANCIAL CHRONICLE) ATLANTA, Ga.-Urgel F. Asselin has been added to the staff of Walls Associates, Inc., Candler Building.

## Roger Williams Mgr. Would Defer Tax Payments on Foreign Income

Guaranty Trust Company says more liberal tax treatment would greatly stimulate more private foreign investment.

A proposal to stimulate foreign investment by deferring tax payments on income earned and reinvested abroad by U. S. companies has the support of Guar-

anty Trust Company of New York.
"Believers in free enterprise, both in and out of the Government, are generally agreed that more private foreign investment, especially in underdeveloped counties, is much to be desired," the bank said in the January issue of its business and economic review, "The Guaranty Survey." "The encouragement of such investment is a settled goal of public policy."

treatment might help to achieve this goal, the bank commented:

"The cost of such treatment would be only a small fraction of what the Government is now spending for foreign economic aid, and the results might be far more beneficial."

The plan that the bank regards as most directly aimed at present problems and objectives would provide that income earned abroad be taxed by the United States only when repatriated, thus offering a strong incentive for reinvestment in other countries.

companies similar to the foreign them to concentrate their base companies through which United States corporations now achieve the same right of deferred tax liability, with these advan-

It would provide this incentive in a more straightforward, less costly, and generally more acceptable way.

It would relieve United States companies of the necessity of expatriating whole divisions of their operations and of the difficulty and expense of maintaining foreign headquarters, staffs, and sales forces, whether really needed for operating purposes or not.

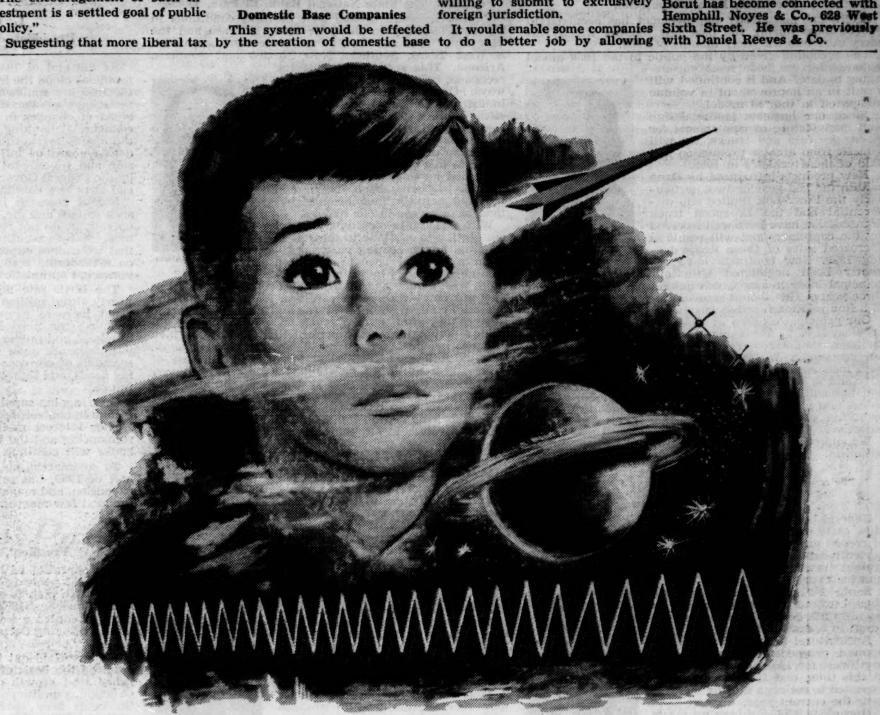
It would extend the tax-deferment incentive to companies which in the past have not been willing to submit to exclusively

sonnel at the points where they could operate most efficiently.

"From the Treasury's point, the plan would cost little in terms of immediate revenue," according to the bank. "No official figures are available, but it has been privately estimated that the Government receives less than \$200 million a year from incombaxes on foreign operations. Mor over, any temporary loss to the Treasury might well be regained many times over in the long run through taxes on income from reinvested earnings."

#### With Hemphill, Noves

(Special to THE FINANCIAL CHRO LOS ANGELES, Calif. — Philip Borut has become connected with



## you're as big as you think

Only a boy. But his thoughts are far in the future.

Thinking, dreaming, his mind sees more than his eyes do.

So with all boys...or business. Vision, looking beyond the commonplace, finds new things to do.

And growth, as it always must, follows where mind marks the way.

From natural gas and oil ... heat, power, petrochemicals that mean ever wider service to man.

#### TENNESSEE GAS TRANSMISSION COMPANY

LEADING PROVIDER OF ENERGY-NATURAL GAS, OIL AND THEIR PRODUCTS

DIVISIONS: Tennessee Gas Pipeline Company · Tennessee Gas and Oil Company · Bay Petroleum Company SUBSIDIARIES: Midwestern Gas Transmission Company · Tennessee Life Insurance Company AFFILIATE: Petro-Tex Chemical Corp.



costs by permitting the installation of large capacity generating units. The resulting economy will come from lower investment per kilowatt of capability and somewhat lower operating costs. Moderate economies probably will be realized in 1959. Mechanization of accounting procedures will be expanded by our company in 1959. Mechanization of operating and construction functions is also being increased. Other cost control measures have received careful attention and will receive even closer scrutiny in 1959.

We conclude that 1959 will be a good year for us. No startling growth or earnings are indicated but we expect a reasonably normal year. While these conclusions are largely based on present and anticipated conditions in the specific territory we serve, we are of the opinion that the managements of the other utility companies in lowa would not have greatly divergent views.

#### J. E. MARTIN

#### President, Dana Corporation

A gradual and steady improvement has occurred in our business during the past few months which will carry over into the early months of 1959.

The reception given by the public to the 1959 model automobiles has been most encouraging to date. And if continued, will result in an improvement in volume compared to the '58 model.

Since our business is the design and manufacture of components for passenger cars and trucks, we will benefit from greater production and sale of these vehicles in 1959.

New products introduced by Dana within the last year or two, particularly the Powr-Lok limited slip differential and the 12 speed truck transmission have been well received by the consumers and will result in increased sales of these items during 1959. New contracts have recently been negotiated with our

principal labor unions which extend for a maximum of three years. This should result in a continuation in 1959 of a fine relationship that has existed for many years.

John E. Martin

Our principal concern as we look to the future is the problem of cost. As suppliers to the automotive industry we have competition from other parts movers and from our customers. We must have maximum efficiency of both men and machines to retain the business that we have and to get new business. We have ample resources, and the willingness to purchase the most modern machines and we look forward with confidence to the cooperation of all of our employees in reaching this objective.

We approach 1959 with confidence and with tempered optimism.

#### ERNEST S. MARSH President, Santa Fe Railway

General business activity in Santa Fe territory, rather slow early in 1958, increased quickly under the impetus of record grain harvests. Increased production of other agricultural commodities and a general pick-up in freight revenues exceeded fourth

quarter expectations.
Santa Fe's net earnings in 1958 should exceed the previous year's by possibly 5% despite an expected 4% drop in operating revenues.

Agricultural and industrial development prospects in the west and southwest for 1959 appear favorable at this time, and 1959 revenues are expected to reflect a modest increase over the current year.

However, 1959 earnings prospects are subject to the likelihood of continued inflationary trends in wage rates and in the cost of materials and supplies.

santa Fe spent approximately \$38 million on capital improvements in 1958 on such items as 2,300 new freight cars, 50 new baggage cars and the laying of approximately 150 miles of continuously welded rail. The final phase of the new "push button" yard facilities at the Corwith freight terminal was completed during the year. This \$20 million improvement program at Chicago provides a 32-track automatic refarder yard, three modern freight houses and car and

locomotive repair facilities.

The company recently authorized the purchase of 42 new 2,400 h.p. Diesel locomotives and 626 new freight cars scheduled for delivery in 1959, while 248 more miles of continuously welded rail will be laid. Additional Diesels and freight cars are under consideration

for the 1959 program,
Additional improvements scheduled for 1959 include
modernization of certain freight yards, expansion of
radio communication and roadway signalling equipment,
including some centralized traffic control planned
throughout the system.

Reductions in both eastbound and westbound freight schedules made during the past year enable the company to provide its customers with earlier delivery of their goods. Such service improvements are expected to result in a larger volume of freight traffic moving by rail in

In the field of legislation, we regard the passage of the Transportation Act of 1958 as a significant expression

of public concern for the inequities which have plagued the rail industry for years.

Repeal of the 3% Federal excise tax on freight charges was helpful but many obstacles still confronting the

industry must be hurdled before full equality of opportunity and treatment can be achieved.

Paramount among these are the repeal of the 10% passenger excise tax: repeal of the agricultural commod-

passenger excise tax; repeal of the agricultural commodities exemption or its extension to non-motor carriers; removal of artificial barriers preventing transport diversification by the railroad industry; revision of depreciation policies in respect to railroad plant and equipment, and the establishment of suitable user charges where publicly-owned facilities are provided for the railroads' competitors.

Given fair treatment in regulatory matters, I am confident Santa Fe and the nation's railroads can meet the transportation challenge of the future and contribute importantly in the long range prosperity of the country.

#### GEORGE G. MATKIN

#### President, The State National Bank, El Paso, Texas.

I think I should discuss first business conditions in my own territory in the year 1958. El Paso and the "Sunshine" area are the El Paso trade territory, which is West Texas, Southern New Mexico and Southern

Arizona. This section has felt the recession, or depression, in very few ways. One of them is the mining industry which has felt the depression, another the oil industry. I would say also that the automobile dealers have felt it, but all in all, due to an unusual increase in population in this entire section, business has stood up unusually well.

Bank deposits have risen and building permits have been higher than in any year in our history. With this as a background, I expect

our section to continue to show good progress in the coming year.

On a national basis, I expect a

continued recovery in business conditions, with money and interest rates continuing about as they are now—with some variation from time to time, but all in all, with interest rates remaning about the same as they are now.

I do feel that it is most important that the Federal Government balance its budget and that if they do not do this, we will see a continued increase in the cost of living and a continued inflation. I expect the business recovery to continue in the year of 1959, but the rate of recovery will probably slacken to some extent. The above prediction is based on the cold war continuing as it has this year and on the assumption that we will not become involved in any major shooting conflicts.



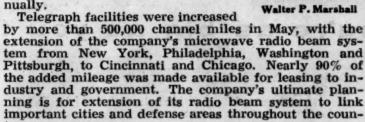
#### WALTER P. MARSHALL

#### President, The Western Union Telegraph Company

Western Union's operating revenues in 1958 will rival the record all-time high of \$259,968,000 in 1957. The lower level of general business affected telegraph volume in the first half of the year, but the company's revenues were up strongly in the last

half. Prospects for 1959 are good.

New labor contracts were signed, with no wage reopening clause, extending thorugh May 1, 1960, followed by appropriate telegraph rate relief to offset the resulting increased wage costs. Revised landline charges on international communications, which went into effect Aug. 1, are expected to add \$2,000,000 to our annual revenues. The company also put into effect, on Dec. 2, 1958, revised rates for its private wire services, designed to produce additional revenues of \$5,000,000 annuality.



Growing from \$6,169,085 in 1948 to an annual rate at year-end of nearly \$50,000,000, revenues from the leasing of private wire systems to industry and government continued to expand during 1958, despite the general business recession in the earlier months of the year.

Western Union completed in December installation of the world's largest private wire system for the U. S. Air Force. This 250,000-mile fully-automatic network, with a two-and-one-half billion-word annual capacity, connects more than 200 air bases throughout the nation.

The company is installing similar communications centers at overseas Air Force bases in 1959 to extend the system around the world, under a \$10,000,000 sales contract, and a similar center will be set up for the Civil Aeronautics Administration at Hawaii. The latter is the first of a planned network of international air traffic and weather communications centers.

A 25,000-mile private wire system was placed in service for International Business Machines Corporation to link its headquarters and 245 offices, plants, laboratories and parts centers. Additional private wire systems were installed for Merrill Lynch, Pierce, Fenner &

Smith, Allstate Insurance, Harnischfeger, American Oil, Royal Dutch Airlines, Gulf Sulphur, and many others, and numerous existing systems were expanded. Most of the private wire systems installed in 1958 were equipped to handle business data in addition to regular communications.

With the installation in 1959 of a 12,000-mile nationwide Intrafax fascimile network to distribute weather maps to 49 Air Force bases, leased Intrafax systems will produce over \$2,000,000 in annual revenue.

Telex, a new Western Union service, was placed in operation in May between New York and Canada, permitting users to dial other subscribers directly for instant, two-way telegraph communication at special time-distance rates. It is being extended to the Chicago area now, and will be to other cities later.

Western Union acquired an interest in Gray Manufacturing Company of Hartford, Conn., and in Hycon Eastern Inc. of Cambridge, Mass., an outstanding research organization in the fields of electronics and data processing, as part of its program of selective diversification.

#### L. L. MATTHEWS

#### President, American Trust Company, South Bend, Ind.

At the end of 1958 many national and international problems cloud the horizon to the extent that predictions for 1959 are somewhat vague. We in the banking field sometimes wonder if the money market is the cause or effect of changes in our economy. Frankly, I feel that commercial banking in our country has less control of the money market than it did 10 years ago. A tremendous amount of influence arises from insurance, pension and investment funds, and cooperatives chartered by the Federal Government. These sections of our financial structure continue to grow and expand.

Recent research indicates that the basic industries, such as tool and die, machine products, and scrap metal operations, do not reflect an immediate upturn in business. Many executives in this field are of the opinion that we cannot expect an upturn until March, and then on a moderate scale. Most businessmen, however, are somewhat optimistic about the last half of 1959.

The birth rate and human longevity will also add nearly three million citizens in the coming year. This rapid increase in population since 1950 continues to augment the need for public works such as schools, hospitals, and public utilities. In addition, home building will continue on a strong basis for some time. These segments of our economy will continue to create financing needs, and tight money is evident for the foreseeable future,

Once again, supply and demand will be important factors in controlling interest rates in the money market. Higher interest rates will be involved in government refinancing and the U. S. bond portfolios of commercial banks will continue to reflect substantial depreciation.

To summarize, optimism prevails concerning the last half of 1959, but substantial increases in employment, expansion, and manufacturing volume are not visible for the next few months.

#### J. W. McAFEE

#### President, Union Electric Company

Our appraisal of the course of business in 1959 and subsequent years is best evidenced by our construction budget. We plan to spend \$52 million this year, up \$10 million over our 1958 construction outlay. Moreover, we

have scheduled a total of \$312 million in building during the next five

We have laid out this heavy program on the basis of (1) our established load growth curve, (2) construction commitments and starts by St. Louis area industries and (3) well-advanced plans by public authorities for encouragement of business expansion.

Our faith in the future was fortified by the fact that our residential customers continued to improve their standard of living electrically during 1958. Average use was up some 120 kilowatt hours over 1957.



J. W. McAleo

While industrial and commercial demand slacked off during the early part of the year we see this as insignificant in the long pull. We expect the powerful economic forces presently at work to bring about a rapid return to the established pattern of business expansion.

One of those powerful economic forces is the west-ward movement of our nation's center of population. Now only a few miles east of St. Louis, it makes our area specially attractive to manufacturers of nationally distributed products. One such is the Chrysler Corporation which is presently building a major assembly plant in St. Louis County. There are many less well-known examples and we expect still others to follow.

Another important force is the discovery, within our service area, of the tremendously promising Pea Ridge iron deposit. A shaft for large-volume extraction of the Pea Ridge ore is being sunk as a joint effort by Bethlehem Steel Company and the St. Joseph Lead Company. The mine itself will be an important customer for our

company and we expect it to attract other large customers.

Still another cause for faith in the future of St. Louis is our tremendous urban renewal program. One phase, a cluster of middle-income apartment spires, is going up within sight of Union Electric's downtown office head-quarters. Another, even larger, project is the rebuilding of our Mill Creek Valley. This area of more than 100 square blocks in the heart of our city is to be cleared beginning next year. It will then be redeveloped by private interests as a balanced complex of residential, commercial and light industrial zones.

In the suburbs and our so-called "exurbia" the march of the subdividers and builders goes on at an impressive pace. The new homes are, for the most part, wired to provide a high level of electrical living and many are air conditioned. Also, a growing proportion offer electric heat, either resistance or heat pump. We see great promise for our business in this growing acceptance of electricity as the ideal year-round means of home temperature control.

Exceptionally impressive among users of electric heat is the new Bayless High School. First school in this area to be fully heated by electricity, Bayless High opened last fall.

The electric heating load is particularly important to us because it comes in a season when we ordinarily have some idle generator capacity.

The progress St. Louis is making as a place to live and work adds up to a sound basis on which to invite industry to come here. We have issued that invitation in a series of Union Electric Company advertisements that have featured some of the foregoing assets of St. Louis—the "strategic center of America." The advertisements, which appeared in Saturday Evening Post, Fortune, Life and other periodicals, have brought a sharp increase in the number of inquries from business firms interested in building new plants.

Our electric facilities, so vital to all industrial and commercial enterprises, are ready to meet all foreseeable demands, so all our area can continue to grow.

Looking to the nuclear power age ahead, our participation in the construction, near Chicago, of the large scale Dresden atomic power station is enabling our people to gain experience and technical knowledge. We began research and development work on the use of atomic fuel in power generation nearly ten years ago. Our more recent work at Dresden, where we are in a joint effort with seven other utilities, is progressing on schedule and the plant should be operating in about a year, when it will become a part of the system serving Chicago.

#### THOMAS B. McCABE

#### President, Scott Paper Company

It was just one year ago that I said, "The consumer holds the key to prosperity in 1958." Now it is time to tip our hats to Mr. and Mrs. Consumer, who have so clearly expressed their confidence in the future.

The record shows that consumer spending was off by only 1% in the early adjustment period of the year but, by the third quarter, consumer purchases reached an all-time high of \$292 billion, an increase of 2% over the low for the year.

In terms of personal income the recession reached its low point in February, 1958, being off the previous high by about 2%. But by July, 1958, personal income had reached another record high.

All this shows a very healthy picture of recovery. Many forces in business and in government have operated to help produce this result. Certainly the enlarged national de-

fense and highway programs, plus the expanded budgets of states and municipalities, played an important part. Much credit is due also to the American Management Association, the Advertising Council, and other business associations for the constructive campaigns they waged in the spring and early summer of 1958 to dispel fear in the minds of the consumer and to sell the basic strengths of our competitive enterprise system. President Eisenhower's calm and farsighted leadership added impetus to their effectiveness.

The Rockefeller Brothers Report, issued in mid-year, on the future of the American economy buttressed the growing sentiment that our economy was on the threshold of another era of expansion, greater perhaps than any we have experienced in the past.

Finally, the supreme effort of each business to revitalize itself, to call upon every resource in its organization, and to utilize the hidden potential of its human resources helped to stimulate sales and provide more employment.

One segment of the economy—the paper and paper-board industry, with which I am associated—had a very heartening performance in light of the fact that during the first half of 1958 the industry was running about 3½% behind 1957 levels. It appears that for 1958 total paper and paperboard production will about equal 1957 levels. In 1959, total production will undoubtedly rise with the improvement in the general economy.

Production of sanitary paper products for the home and industry (towels, bathroom tissues, facial tissues, napkins, and industrial wipers) has continued to outperform the total paper industry. Even during the early months of 1958 production in this segment of the paper industry continued to equal or surpass year-ago levels. There is growing optimism among producers in this field that 1959 will bring a greater percentage increase over 1958 than was experienced this year over 1957.

During the last 10 years the paper industry, in response to consumer demand, has increased its production capacity by more than 50%. And in this period industry growth has been more than double that of population growth. After this period of very rapid expansion, capital expenditures are not expected to be as high in 1959 as the 1957 record of more than \$800 million. We expect that in 1960, however, capital expenditures for pulp and papermaking facilities will again turn upward.

In addition to the anticipated increase in consumption of present paper products, the future holds great promise in terms of new and improved papers. Research has already made great strides in this direction, even though research is still a comparative infant in the paper industry.

If the industry's growing awareness of the need for research is translated into constructive programming—both in the expansion of research facilities and in marketing plans — then no question remains in my mind about the future of the paper industry.

For a number of years now we at Scott Paper Company have been emphasizing to an extraordinary degree our new products research programs, and we have developed several new products from cellulose and other raw materials, which have, we believe, extraordinary consumer appeal. We have also been making intensive market studies into improved methods of introducing and promoting new products. After careful study of the long-range opportunities open to us through research, I thing it is safe to stay that our budgets for this important activity will probably be increased by as much as 100% over the next five years. Substantial capital expenditures will also be required to provide new facilities for manufacturing the new products as well as providing for greater output of our established trade-marked brands.

Continued on page 82

# Why Union Pacific Railroad Advertises for Passenger Business

In face of all that has been said and written about railroads getting out of the passenger business, doesn't it seem strange that Union Pacific should be so energetic and enthusiastic about promoting passenger business on its Streamliners and Domeliners?

Believing that if you create a better product people will buy it, Union Pacific, in the last few years, has invested over \$31,000,000 in new, modern passenger equipment. This has included dome lounges, dome diners and dome coaches . . . latest design Pullmans . . . and the most comfortable coaches ever built. Today, Union Pacific operates the finest, most luxurious transportation between Chicago and the Pacific Coast! This is why Union Pacific advertises its passenger trains!

But what about planes? Aren't the airlines putting the trains out of business? No, Virginia, as long as there are people who prefer the finer things of life there'll always be those who will choose to ride on Union Pacific's trains! Not all people believe that

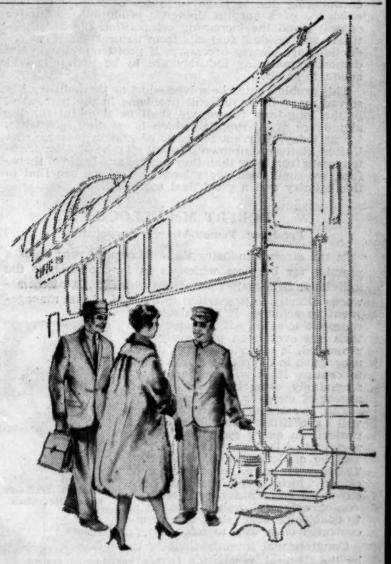
UNION necl
PAC UNION are
RAI UNION that
RAILROAD enjo

you "have to break your neck" to get there. There are those who firmly believe that travel was meant to be enjoyed—not merely endured. And those who can afford to travel by train see no reason for paying more

for something less! This is why Union Pacific advertises its passenger trains!

Then there's the matter of special family fares. Union Pacific encourages families to travel together. For four days of every week—Mondays through Thursdays—fares are made so attractive to husband and wife, or one or both parents and their children, that trips started on those days become unbelievably low in cost. These special rates apply to both coach and Pullman accommodations. Children are thrilled to ride on the train (and who isn't?) and because of their welcomeness aboard, they never fail to have a good time. Since travel "togetherness" can be such a thrilling experience, Union Pacific extends a special welcome to families traveling together. This is another reason why Union Pacific advertises its passenger trains!

Does all this effort to tell the Union Pacific story of its fine trains really pay off? We hope so. And we believe it does. The nicest letters are written to us by people who have ridden our trains recently and they are very enthusiastic about their trip experiences. We know you will also find Union Pacific Domeliners and Streamliners the finest and most luxurious means of travel in America today, and we want everyone to know about it! That's why we advertise so enthusiastically!



Passengers and shippers Agree . . . Travel is Best on U. P.

UNION PACIFIC Zailroad

#### L. F. McCOLLUM

President, Continental Oil Company

One of the most outstanding accomplishments of the petroleum industry in 1958 was that of bringing about an improved balance between inventories and demand. Largely as an aftermath of the Suez crises, stocks of crude oil and refined products at the beginning of the year were inordinately high. Total inventories on Jan. 1, 1958, were 62 million barrels, or 8% above the 1957 level. By the end of November inventories of crude oil and refined products were 35 million barrels, or 4% below the 1957 level.

This reduction was achieved by curtailments of crude il production and refinery runs during the early months of the year. Domestic demand during the first nine months of 1958 increased only a little more than 1% over

the 1957 level. On the basis of preliminary figures, it appears that inventory liquidation in 1958 will average about 120,000 barrels per day — the largest stock drawdown in any year since World War II. In fact, during 1958, a year of recession, the reduction in inventories has been twice as great as in 1950, the year this country mobilized for the Korean conflict. This is quite a record of successful inventory management against great odds.

Recent progress in reducing stocks does not mean that all the industry's problems are at an end. Total product inventories are still somewhat more than justified by current levels of demand. Distillate stocks are on the high side, particularly in the Mid-Continent area, where the early winter weather has been somewhat warmer than normal. After steady gains throughout the summer, refiner's gross margins dropped sharply in the early fall and are still far below satisfactory levels.

Looking forward to 1959, there are reasons for guarded optimism" about the industry's prospects. Aided by continuing improvement in general business conditions, domestic petroleum demand is expected to increase 4 to 5% over the 1958 level. A demand increase of 4% to 5%, combined with cessation of inventory liquidation and adequate restraints on imports, should permit domestic crude oil production to increase about 7%. Refinery runs should increase approximately 5 to 6%. The increase in demand should also restore product prices to more satisfactory levels, providing that the industry continues to exercise common sense with regard to inventory management.

The most important problem facing the industry in 1959, and the years beyond, is that of halting the persistent rise in oil finding and developing costs. These costs have been increasing about 8% per annum and have been outstripping advances in crude oil prices. Prospects for future crude oil price increases are not encouraging due to large surpluses of foreign oil, the existence of a surplus domestic crude oil productive capacity, and the increasing competition faced by distillate and residual fuel oils from natural gas. Cost reductions are clearly necessary, if profit margins in the domestic producing industry are to be maintained at

This problem must be solved—just as the industry has solved many other difficult problems in the past. And in the long-term future, we shall be thankful for the abundance of oil supplies which is creating difficulties for us today. Current forecasts of growth indicate that United States requirements for oil may be 50% larger in ten years from now than they are today. In time, therefore, we shall need every barrel of oil we can find in this country and a great deal more besides.

#### ROBERT McCULLOCH President, Temco Aircraft Corporation

In the aircraft industry the forthcoming year holds a promise for business which is as far-reaching as the individual firm management can visualize. It offers rewards directly in proportion to the will of that manage-

ment to achieve. It appeals to the competitive spirit with greater force than has ever been previously experienced. It offers success in direct proportion to the plans set into being to capture it. It will be fierce, unforgivingly competitive. It will be a year of mergers and eliminations.

The President's balanced budget will necessitate consolidation of projects in every facet of the Department of Defense inventory. This will be a blessing to the industry. There will be a consolidation of effort which heretofore has been expended over many projects. A consolidation in such a manner as to enable the best talent to be con-

centrated on a way to solve the problem.

Congressional investigations of the industry, reviews by the General Accounting Office, restudy of programs by the budget authorities give more and increasing opportunity for the economic producer of quality products on schedule to emerge from the great mass of wishful thinkers. It is good for the industry for those responsible for the tax payers' dollars to have a more intimate knowledge of how those dollars are translated into the necessary articles for national survival. The industry is pleased to exhibit its integrity in the national effort.

Robert McCulloch

The decreasing demand for the manned aircraft in the Department of Defense and the increasing demand in the area of missiles and rocketry is an ever-increasing challenge. The business which will continue to grow in 1959 will be that with the diversified products and services required in the Defense inventory. No longer will one product or one service be sufficient for even survival. "More eggs in the basket" is a must for this

year. But these eggs must be the best.

Quality and reliability must go hand in hand with economy on schedule. These will mark the successful producer in every field. And in the aircraft industry with the safety of our nation at stake, these are most stimulating challenges. In a sense it is most rewarding to the manufacturer who has spent his entire life dedicated to such a concept. 1959 offers realization of these ideals.

It appears to me that a successful 1959 with all its varied demands for consolidation and product diversification is dependent primarily upon the realization of a program planned for just these exigencies. This program must have been in effect for a considerable period of time. Such a program must be based upon established objectives over a period of time reaching from at least two years back and extending well beyond this forthcoming year. Such a program, to be successful must have been based upon the elements of product determination, facilities needed, equipment and manpower required plus the necessary financing to support it

With the high level of today's market, stockholders are happy. The balanced budget being programmed is encouraging. The availability of skilled labor eases a worry in that area. Consolidation of defense projects with emphasis on quality and reliability is stimulating. A planned, balanced program with a well-trained crew offers the tools with which to meet all competition. We welcome 1959.

#### PATRICK B. McGINNIS President, Boston and Maine Railroad

The railroad industry benefitted to a large degree from the passage of the Transportation Act of 1958, but the road ahead will be filled with hazards unless further relief is forthcoming. Indeed, since the enactment of this law, at least one Class 1 railroad has

served notice of its intention to abandon all passenger service.

What is needed most is a more liberal and understanding view on the part of municipal, state and Federal authorities, on the part of bankers and other institutional investors and lenders and on the part of the public itself.

Mass automobile transit has spelled the end of the inter-city passenger business. No amount of editorializing, arguing or cracker-barrel philosophizing can alter this irrefutable fact. The sooner we remove this unfair burden from the railroads, the

better will be our national transportation system. We simply cannot approve appropriations for billions of dollars worth of new highways on the one hand and expect our railroads to provide inter-city passenger service on the other, while at the same time expecting the world's most efficient system of domestic

Railroad commuting service does not present the same problem, but it too, like the inter-city business, will soon fall by the wayside unless local tax authorities and the cities which depend upon commuting, take a more realistic view. Steadily rising wage and material costs, coupled with alarmingly steep ad valorem taxes, have made it almost imperative to abandon sections of commuting mileage that were once popular and profitable. The nation is well aware of the serious reduction in commuting miles that we have witnessed since the end of World War II, but once again, the problem of new highways and taxes is one which is making commuting a vexing problem indeed.

Fortunately, provisions of the new Transportation Act amoads to ap ply for loans uaranteed by the Federal Government. These funds will assist greatly in our attempts to replenish our cash, long ago depleted through outlays for plant and equipment. The Act also allows us to appeal to the Interstate Commerce Commission where state regulatory bodies, always under local pressures, refuse to approve applications for rescheduling of service or for abandonment of unprofitable lines.

Railroads are beginning to establish their own re-search and development departments and laboratories. Almost every road in the East and the West is well into Piggyback traffic, which has proven that railroads can compete with other modes of transport. For the first time in history, railroad men are attending graduate and technical schools in droves. We are even trying to clean up our physical appearance.

The freight traffic situation has witnessed many changes since 1946. Entire industries have moved from one end of the country to the other. This naturally changes freight operations of the railroads. We feel, however, that a great new era lies ahead for the transportation of freight. Piggyback traffic offers the most hope, but the traditional way of carrying freight is also being continually studied.

I have long advocated radical changes in the method of transporting freight, and some hopeful signs are now on the horizon. Car builders are beginning to offer roller bearings. The familiar hot box is well on its way to being eliminated through the introduction of new technological improvements. New methods of packaging and of storing lading have been introduced. Nailable steel floorings are now being used in many cars. I hope the day is not too far distant when something can be done with the couplers used on our cars.

The recent recession has hurt, and full recovery has not yet been attained. However, my personal view is that a vast new economy lies ahead, and we in railroading hope to offer dependable, fast, modern service to cope with it. To this end we dedicate ourselves.

#### A. H. McDOWELL, JR.

#### President, Virginia Electric and Power Company

In looking ahead to 1959 it is anticipated that the Southeastern area of the United States will continue its rate of industrial growth and expansion. This gradual rate of increase is expected to be slightly above the national average projected for 1959. The Top-of-the-South's location with its close proximity to large northern, eastern and southern markets, the excellent transportation facilities, ample raw materials and space to grow are major assets which it is believed will continue to attract additional industries to locate here. The recreational facilities and the native-born labor supply are major assets of this area.

The over-all continued expansion of existing industries and the trends towards greater diversification of industries have been important economic factors during the year 1958. This growth has resulted in a favorable economic force in the area serviced by the Virginia Electric and Power Company. This area includes the greater part of Virinia, northeastern North Carolina, and a small portion of southeastern West Virginia.

The population increases in the Southeast have been reflecting growth comparable to the national average and are a major factor in the economic potential for the future. The rate of population growth in Vepco's service area has exceeded that in the Southeast. The Virginia Electric and Power Company has been keeping abreast of the additional demands for electricity. The company is fully aware of its part in the economy of the area it serves. Vepco has a planned construction budget of \$53,000,000 for 1959, the greater portion of which will be expended for new steam generating facilities. Tris in itself reflects the company's confidence in the future by this continuing large construction program. Vepco's present generating capability is 1,848,000 kilowatts with an additional 540,000 kilowatts authorized, including 340,000 kilowatts under construction.

In anticipation of the projected future economic growth in its service area and of the existing residential, commercial, industrial and other customers numbering more than 720,000, the company will continue to serve its customers with adequate and dependable electricity. For as the Southeastern area moves ahead, the utilities serving this area are the major motivating force. We firmly believe 1959 should be a growth year in the Southeast, a continuation of the trend in 1953.

#### MAX McGRAW

#### · President, McGraw-Edison Company

Current conditions indicate the year ahead should be a good one for the electric appliance and apparatus manufacturing industries generally, with a gradual improvement during at least the first two quarters, but

with no spectacular increases anticipated for any of the greatly diversified lines of electrical products manufactured by the firm.

Our volume during the last half of 1958 was generally pretty good and we expect this level of activity to continue into the next year at a pace that will enable us to register good gains over the similar quarters

this past year. Our Speed Queen washer division had a record year in 1958, but we feel optimistic that they will do even better in 1959. Several new small appliances developed in the Toastmaster Division are expected to produce a substantial gain for this

branch of our company. Sales of utility distribution apparatus have been gaining steadily in recent months and we see no reason for any decline in volume in these products in the months ahead.

Max McGraw

Orders for heavy utility apparatus have been relatively slow the past year and so far there have been few factors indicating any appreciable change was in sight.

The company expects an improvement in sales of air conditioning equipment with the McGraw-Edison Coolerator Division getting a proportionately larger share of the market.

As of now, we are reasonably certain profit margins will generally tend to improve in the year ahead. We expect production and sales costs will remain about the same, but there could be slight increases in some divisions. Competitive and other factors could dictate price



Patrick B. McGinnis

These two provisions will at least allow us to catch our breath and continue on with our future planning. Many of the Class I roads are today under the control of young, vigorous leaders who have young ideas. These men have many wonderful new plans on the drawing boards.

adjustments, both upward and downward, in some of our lines, but we foresee no substantial changes at this time.

The company closed 1958 with cash and equivalent position at an all-time high. We expect to continue 1959 dividends at the 35 cent quarterly rate paid the past year and anticipate no financing during the year ahead.

Thus, considering all factors, we are quite confident 1959 will be a better year for our company than 1958.

## PAUL B. McKEE Chairman of the Board, Pacific Power & Light Company

The Pacific Northwest should see good progress in 1959, with Oregon's centennial year celebration swelling the tide of visitors to the region and dramatizing the great assets of this fast-growing section of the country.

A record construction program has put the region in a favorable position to meet a healthy growth in electric power requirements. New projects completed or under construction will provide adequate power for the expected expansion in population, business and industry during the next five years. Other new projects are in the planning stage.

Based on historical growth trends and careful estimates of future loads, we believe the energy requirements on our own system will about double in the next 10 years. This means an expanding market for electric service, and a continued need for large sums of new

development capital.

Even though average annual use of electricity in homes on the Pacific Power & Light system passed the 7,000-kilowatt-hour mark in 1958, we look for continued growth of this important market, along with

commercial and industrial demands.

Rising construction and operating costs will necessitate adjustments in electric rate schedules, which have been maintained at or below prewar levels, but the value offered by electric service will still be so great as to keep it a genuine bargain.

Every year brings its problems, and 1959 will be no exception, but hard work will show results.

#### PHILIP M. McKENNA President, Kennametal Inc.

a "wonder metal". It sold for more than the price of gold. As tiny metal cutting points on tools for machining cast iron and nonferrous metals and in drawing dies to

replace diamod dies, this revolutionary metal was well worth the price due to the great reduction it effected in production costs.

The use of tungsten carbide expanded rapidly; by 1940 the price had been reduced to 12 cents per gram, or \$54.00 per pound, which was only one-third the price in 1938. A gradual reduction in the price of tungsten carbide in various forms has been effected until last year the price range was approximately one-fourth of that in 1940. Today, we look forward to a big expansion in the use of these hard carbides as a material of construction for vital machine and equipment components

as used in practically every segment of American industry.

Philip M. McKenna

It has been the experience of industry that the "tool steel" of one age becomes the material of construction of critical parts of machines of a succeeding period. That is because the same qualities required to withstand heavy pressures at the point of a cutting tool with minimum deformation or wearing away, are later recognized as the qualities needed in maintaining accuracy, rigidity, and in extending the life of many vital parts in heavy duty machines and appliances. One such quality of tungsten carbide is its high resistance to bending, or to deformation under high compressive forces. This quality of tungsten carbide, expressed as the Modulus of Elasticity, is three times that of steel, namely 90 million psi as compared to 30 million psi for steel. One example of how this high stiffness is employed to advantage is in cylinders for pumps to compress ethylene to form polyethylene. Here the tugnsten carbide hard alloy parts permit pressures three times as high as those obtainable with steel cylinders and pistons. In grinding quills and boring bars, the high rigidity of tungsten carbide makes it possible to attain a degree of precision heretofore unattainable.

The ability of tungsten carbide to resist abrasion and wear many times longer than other metals makes it ideal for gripping devices such as chuck jaws and driving clutches for rotary rock drilling machines; oil well pump valves; high pressure hydraulic systems; percussion rock drills; dies for drawing and forming steel bars and tubes; hammers and parts for pulverizing and grinding machines; rolls for cold rolling metals; rotary seals and countless other components for machines.

The use of tungsten carbide hard alloys to meet the needs of American industry for new materials of construction has been slow getting under way. Why it has taken 30 years for tungsten carbide to become recognized as a useful material for purposes other than for cutting metal is due largely, to these factors: (1) a revolution in engineering thinking and design had to take place; (2) economic motivation for risk taking by such innovation

had, under cost plus contracts, steeply graduated taxes and renegotiation "dulled the edge of husbandry" during those 30 years; and (3) government intervention by acquiring and removing from commercial use such a large proportion of the raw tungsten mineral concentrates; making bricks without straw was easy compared to making tungsten caroide without tungsten!

A ray of hope for development of a tungsten carbide industry of a size commensurate with its potential in the United States occurred 18 months ago when Congress refused to appropriate any more money to buy tungsten concentrates for stockpiling. Since 1940, a major proportion of the raw minerals of tungsten produced in foreign and domestic markets was acquired and removed from use by various agencies of the government. By 1957, government statistics showed a 23-year surplus based upon the average consumption for all purposes in the United States during the previous five years.

Those were, indeed, years of active military production as well as civilian usage.

This over-estimate of the needs for raw tungsten can be attributed to failure to recognize the fact that one pound of tungsten in the form of hard tungsten carbide tools does as much work in metal cutting as sixty pounds when used in 18% tungsten tool steel. From 1900 to 1940 tungsten tool steel had absorbed 90% of all tungsten mined. As tungsten carbide cutting tools replaced tungsten tool steel, one pound of tungsten did the work of sixty. This more efficient use of tungsten, in the form of carbide for cutting metal, was pointed out by this author in an article published in the Nov. 11, 1940 issue of "Iron Age" magazine. Since then reprint of the article have been widely circulated and have been

Continued on page 24



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repeatedly brought to the attention of government au-

thorities in charge of stockpiling.

After the government ceased to absorb the current supply in 1958, the world price of tungsten dropped from over \$40.00 a short ton unit to a low of \$8.00. In the closing three months of 1958, it advanced to \$12.00, to which must be added a U. S. import duty of \$8.00. (A unit is 15.86 pounds of tungsten contained in the raw mineral.)

New processes and plans for utilization of tungsten earbide are going forward and it is hoped that free economics will prevail to permit the further risk taking

necessary for successful innovation.

The economic motivation for industry to adopt tungsten carbide alloys for elements of construction has been sharpened by the realization that economic competition with a reviving European industry is a stark reality. However, the financial means and incentive to move fester are still hampered by punitive taxation upon risk taking enterprise.

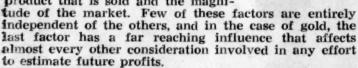
American engineers, inventors and managers have had so many examples of the profitable use of tungsten carbide alloys that, with greater freedom, we hope their profitable ingenuity will keep America ahead in designing and using these revolutionary alloys. Protection for private property, including intellectual property such as inventions, under the Constitution is the key to the creation of new articles and greater productivity which are necessary for the continued development of American industry.

#### DONALD H. McLAUGHLIN President, Homestake Mining Company

The factors that must be taken into account in any appraisal of the gold mining industry are the same as those for mines producing any other metal. The only unique aspects of the industry that distinguish it from other enterprises exploiting deposits

of minerals arise from the status of gold as the single monetary commodity with worldwide acceptance.

The value of a mining enterprise is determined by (1) the magnitude and grade of the ore available to it; (2) the full costs of transforming the valuable mineral in the ground into a product that can be sold (including all capital expenditures, exploration and development costs, and mining, metallurgical and sales expenses); (3) the schedule and rate of production; (4) mining and metallurgical recovery; and (5) the price received for the metal or mineral product that is sold and the magni-



D. H. McLaugnin

When gold is allowed to function properly as a monetary metal, national currencies are defined by the gold content of their units. Such currencies and gold are freely convertible at fixed rates with no restrictions placed on the ownership of gold or on convertibility. The miner who delivers his gold to the mint can receive it back in gold coins if he chooses, with which he could pay his wages, his bills and his dividends accepts paper money, those who receive it could also obtain gold for it on demand if they desire.

Under these happy circumstances, the costs that go into the production of gold are at least expressed in terms of a recognized monetary commodity and are certain to have greater stability than costs expressed in paper currencies subject to the vagaries of politics, strife and the efforts of money managers to accommodate

themselves to the troubles around them. Under the conditions that have prevailed since the modification of the gold standard in the Thirties, many if not most of the advantages of the gold standard have been lost to the gold miner. Free convertibility has been denied him and neither he nor his fellow citizens can demand gold in payment or hold it in his possession as money. The restraints on spending and on deficit financing that gold might exert are largely lost under these conditions, and the way is made easy for meeting. the excessive and unproductive expenditures of the war

and the uneasy peace through inflation. The economic consequences of World War I brought about first the devaluation of the pound sterling and then of the dollar in terms of gold—both after a belated and injurious effort to maintain the 1914 ratios of gold to their respective currencies—an honest perhaps but futile effort to meet the immense debts of the war in

money of prewar value. The redefinition of the dollar in 1934 in terms of gold whereby the price of gold in paper dollars was changed from \$20.67 per ounce to \$35 per ounce—was probably ample to have permitted restoration of full convertibility and permitted the gold standard at that time to have functioned on a sound postwar basis if it had been allowed to do so. Unfortunately, the change was accompanied by such restrictions that the beneficial effects were minimized and the opportunity to regain monetary stability was lost.

And now, following the second world war, the cycle is being repeated. Immense and mounting debts are still expressed in dollars tied to gold (and convertible into gold through central foreign banks) at a prewar rate. (England again has led the way by the revaluation of the pound sterling in 1949.) The United States, by virtue of the financial strength gained from its ability

to expand production in almost all major fields and its power to move its goods into foreign markets has been able to maintain a dominant position in international trade in spite of the dollar being defined and redeemable abroad in gold at the prewar ratio.

During this period (1941-1958), however, the dollar, expressed in terms of what it will buy domestically, has declined drastically in purchasing power. With the dollar firmly tied to gold at the prewar ratio, this amounts to an effort to force the value of gold itself to accompany a paper currency in its depreciation. So far the strength of the dollar has been so great that it has been able to accomplish this novel feat and even maintain its international standing. But how long can it prevail?

Until other nations of the world regained their industrial strength, American goods have enjoyed a strong competitive position. We now face very different conditions and it is by no means certain that our special skills and particularly our successful technique of mass production will continue to give us sufficient relative advantage to offset excessive increases in wages and costly if not wasteful domestic practices. Can we continue in this way and still sell goods abroad in dollars tied to gold at the prewar ratio? In other words can we have inflation at home and find a market for our goods abroad priced in the old gold dollars? The alternatives seem clear. Either gold no longer has any significance or power as an international monetary metal, or the dollar will have to be defined in terms that will mean a substantially higher price for gold unless we are willing to face a drastic decline in exports, loss of gold reserves and in all probability a depression.

The dramatic moves in monetary policies that occurred abroad at the end of the year should give foreign cur-rencies new strength. Although the relation of the various currencies to gold has been scarcely mentioned in these efforts to promote convertibility, it is certainly a basic consideration, particularly since gold reserves in foreign hands, including Russia's, are now so substantial. We can be sure it is not being overlooked by our competitors who are less provincially minded than we are. If the United States persists too long in ignoring the implications in these initial steps, it may face the loss of markets and the making of a depression for us that may have most serious consequences. The changes should emphasize the dangerous position we are in by attempting to maintain our trade in dollars overvalued in gold.

In the meantime, in the domestic gold mining industry we shall have to continue to try to avoid extinction by lowering costs through technical improvements and to keep profits from being completely pinched off as costs in depreciating paper dollars unavoidably mount and while we still have to accept payment for our gold at the prewar price. Eventually, of course, the price of gold in such dollars will have to be raised; but with finite ore bodies. "eventually" is beginning to be a rather painfully long time. And there is surely no satisfaction in thinking that continuation of such policies will in the end hurt the whole economy as well as the gold mining

If the investor is inclined to think that the cycle of the Twenties and Thirties will be repeated in a general way in the second postwar period, he might do well in these strange times to turn to those gold mining enterprises in which a study of the normal factors outlined at the start of these comments indicates that fair profits could be made when the higher price for the yellow metal is actually attained.



President, Puget Sound Power & Light Company

Almost exactly one year ago today, the prophets of doom were having a field day. Economic indicators were pointing downward, American versions of the "Sputnik" appeared incapable of getting off the ground and across our land a mood of pes-

simism seemed to prevail. Yet within a 12-month period, the basic resilience of our economy and the ingenuity of our people have once more been demonstrated. The broad recovery, the launching of the 'Atlas"-and other manifestations of the inner strength of our systemall have scattered the false prophets to the winds.

If 1958 was a test of the resurgent and recuperative powers of our economic system, then 1959 and the years ahead should see forward progress in a further realization of potentials that stem from solid foundations. With each passing year,

through ever-expanding areas of use and a steady stream of new applications, electric power becomes even more indispensable to the better and more abundant life and to the economy and security of our nation. The utility industry must always face up to the challenges of limitless growth and continuous change. The record shows

McLaughlin

it is doing so impressively In 1958 the private utilities spent a record high of \$3.8 billion on new plant and equipment—an increase of \$100 million over 1957—while total business investment (all industries) is said to have declined in 1958 to \$31 billion from \$37 billion the year before. Only a decade ago the utilities' annual expenditures for new construction amounted to about \$2 billion. Looking to the future, the Edison Electric Institute projects the total investment of the electric utility companies, currently over \$40 billion, to more than double by 1968. For Puget, construction expenditures were around \$32 million in 1958, which contrasts with \$27 million for 1957 and only \$6 million spent for such purposes 10 years. ago. As a matter of fact, in Puget's case net utility plant is currently almost twice as much as in 1952.

While 1958 was one of the warmest years in the region's history with a consequent adverse effect on the Company's kilowatt-hour sales, Puget's energy sales have been increasing at the average rate of about 10% annually for the last two decades and our planning is based on the expectation that this percentage gain will continue. Through its own new generation—long-term power contracts and other resources—the Company expects to have sufficient power available to meet a projected peak demand of 1,000,000 kilowatts in the mid-1960's, which compares with 600,000 for 1958. The Company's growth potential arises from the fact that it serves one of the most economically promising sections of the country, where population increased 74.2% in the 15 years ended 1955 and is authoritatively forecast to rise by 60% in the period 1955 through 1965.

Of transcendent importance is that today the people of the Puget Sound-Cascade region are emphatic in their deep-seated demand for cooperation in power. This is evidenced by expressions in the press—in public opinion surveys, and in other ways. A survey made about mid-1958 in the Puget Sound-Cascade region by Louis Harris and Associates shows that there has been a steady growth of sentiment in support of the private-public partnership concept in electric power development. The 1958 survey recorded a 2 to 1 margin in favor of the building of large power projects jointly by private com-panies and either local public agencies or the Federal government, as compared with a margin of 4 to 3 in 1957. People also rejected the idea of primary dependence on the Federal government for power development by a margin of 5 to 1 as compared to a margin of 3 to 1 in 1957. It is thus apparent that any legislation proposing Federal domination of the power resources of the Pacific Northwest is just the opposite of what the people of the Puget Sound-Cascade region want.

In the long sweep of the struggle our nation is engaged in abroad, the economic dimension is of increasing moment. The Communist adversary is determined to outstrip the free nations in economic growth. Our answer is that of a system rooted in private initiative and at its heart is the electric utility industry. Anything so basic to life as electric service must of public necessity be enabled to be healthy and to thrive. It would be catastrophic if the electric utility companies were in any way prevented by man's shortsightedness from being strong and dynamic.

In the end the answer to the critics and to the prophets of doom is neither ringing phrases nor claims that we are entitled to inviolable rights and privileges, but is in

best satisfying human wants.

We of Puget try to be known by our deeds—the quality and scope of our service—the acceleration of our area's economic development-our modern and efficient methods and equipment—and our hard-won progress. So it is with our industry. We face the future with confidence in the fairness, strength and resourcefulness of the people and with the knowledge of their basic respect for the freedom and dignity of the individual, and for human growth.

#### S. C. McMEEKIN

#### President, South Carolina Electric & Gas Co.

On the vital twin fronts of practical production and basic research, South Carolina Electric and Gas Co. is moving into 1959 on a swelling keynote of progress.

Underway is a multi-million-dollar construction pro-

gram which will feed millions of new kilowatt hours of energy into the homes and plants of 23 South Carolina counties.

As it expands its commercial operations, SCE & G is moving toward the brink of a new era of power production.

The South Carolina firm, cooperating with three other members of The Carolinas - Virgina Nuclear Power Associates, Inc., is in the course of concluding negotiations with the Atomic Energy Commission toward obtaining a contract for the construction of the Southeast's first privately-owned prototype a to mic reactor for power generation.

Situated at Parr Shoals in Fairfield County, steam generated by the reactor will be utilized by the generating equipment already in operation at SCE & G existing steam station.

The facilities' anticipated output of 15,000 to 20,000 kilowatts, enough to serve an average town of 28,000 inhabitants, will provide the background of experience for construction of large-scale commercial facilities.

More immediately, SCE & G is moving ahead with a three-year program of expansion which is pumping \$67,000,000 into the electrical nervous system of its service area. Approximately \$26,000,000 was expended for new construction and expansion during 1958.

Much of last 'year's investment was channeled into completion of the company's huge new steam electric generating station located on Saluda River near Co-

This is the company's eighth operating plant and its fourth steam generating facility. The first of the new station's generators went into

operation July 1, and the second was placed on a commercial production basis early in December, 1958. Addition of this new generating facility to the 23-country private power network adds 275,000 kilowatts



S. C. McMeekin

to the generating capability of the system and brings the system total to 895,000 kilowatts. The investment in all SCE & G facilities has soared to \$238,200,000, a figure which averages out to more than \$139,000 per employee.

Electrical service to a wide area of South Carolina—service which includes all of the ortside power purchased by the Savannah River Plant of the Atomic En-

ergy Commission—is only part of the SCE & G story.

The company serves Columbia, Charleston, Summerville, Aiken, and North Augusta with natural gas and recently completed a transmission main into the Hampton-Barnwell County area presently to serve large industrial operations. An additional supply of gas has been secured from the supplier bringing the total amount available daily to more than 50,000,000 cubic feet. Plans are underway for the retail distribution of natural gas

in numerous towns in the company's service area.

During the 12 months ending October, 1958, natural gas sales climbed to more than 7,170,000,000 cubic feet—an increase of more than 9% above the previous year. The number of natural gas customers has grown from 28,952 in 1956 to 36,353 today.

SCE & G also operates bus service in the metropolitan areas of Columbia and Charleston.

SCE & G is in its 113th year of operation and is rated as one of the oldest utility companies in the southeast.

#### CRANDALL MELVIN

#### President, the Merchants National Bank & Trust Co., Syracuse, N. Y.

How is business going to be in 1959? The best way to answer that question is to take a lock at recent trends to gain perspective. The second step is to look at the factors affecting these trends to see if they may be expected to continue.

Perhaps the best single measure of our economic welfare is Gross National Product. This measures the monetary value of all the goods and services produced in the country in a given period of time. The accompanying table gives these data and corporate profits after taxes in billions of dollars on a seasonally adjusted basis for the recent past.

You will note from the table G.N.P. declined about 4.4% from its high in the third quarter of 1957 to its low point in the first quarter of 1958. Corporate profits declined about 33% from their peak to their low

point. These were rapid and sig-nificant declines. Of more interest to us, however, has been the sharp and startling improvement in 1958. This

improvement is still cont continue in 1959.	inuing and m	ay be expected to
1957—First Quarter	G. N. P. \$436.3	Corporate Profits After Taxes High \$23.1
Second Quarter	441.2	21.8
Third Quarter Fourth Quarter	High 445.6 438.9	22.1 20.0
1958 First Quarter Second Quarter	Low 425.8 429.0	Low 15.5 15.7

Third Quarter 439.0 Not Available What are the reasons for expecting these favorable trends to continue? First, are expenditures for new plant and equipment. In the second and third quarters of 1958 these expenditures were at the annual rate of \$30.32 billion. This represented a sharp decline of about 20% from the third quarter of 1957. However, a Dec. 15 release of the Securities and Exchange Commission shows businessmen plan to increase these expenditures in the fourth quarter of 1958 and to increase them still further in the first quarter of 1959. The quest on the part of business for labor-saving and more efficient plant and equipment may be expected to continue. Although no jet thrust upward to our economy may be expected from this source, it is significant the decline has stopped and that gradual improvement may be expected from this important sector.

A second factor which does provide an upward thrust to our economy is purchases of the Federal, State and Local Governments. Here is the record in billions of dollars of Government purchases of goods and services

e relatively re-	cent past		
	Federal	State and Local	Total
1939	\$5.2	\$3.2	\$13.3
1949	25.5	17.9	43.4
1952	54.3	23.2	77.5
1954	48.9	27.7	76.6
1956	47.1	33.1	80.3
1957	30.8	36.3	87.1
1958	38.4	39.9	93.3

Look at that inexorable increase in total Government purchases, particularly on the part of State and local governments! And who would be so brave, or foolhardy, to think programs for new schools, new highways, national defense, agriculture, veterans' benefits, foreign aid, and expanding security are to be curtailed significantly?

A third factor supporting the improvement in business is consumer expenditures. These held up beautifully during the 1957-58 decline in business activity. In fact, they declined in only two of the last seven quarters. In addition, personal savings by individuals are high and reached a new peak in the third quarter of 1958. Here

are the recent data in billions of dollars at seasonally

adjusted amuai rates.	Disposable Personal Income	Personal Consumption Expenditures	Personal Saving
1957—First Quarter	300.0	279.8	20.3
Second Quarter	305.7	282.5	23.2
Third Quarter	308.7	288.3	20.4
Fourth Quarter_		287.2	19.6
1958-First Quarter	305.0	286.2	18.8
Second Quarter_		288.3	19.2
Third Quarter	314.0	291.5	22.5

These data show consumers have an increasing fund of disposable income which they are utilizing to buy services and durable and non-durable goods. These purchases have not decreased their rate of saving.

The Federal Reserve engages the Bureau of Business Research at the University of Michigan to survey con-

sumers' intentions to buy goods in the future. Their recent studies show an increased propensity toward future purchases. The 1959 model automobiles are of course

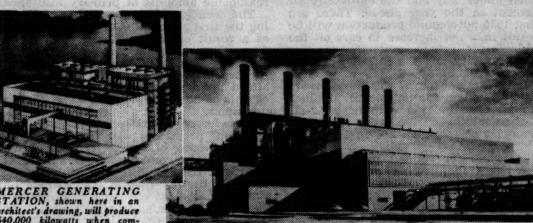
still an important question mark here.

A fourth factor substantiating our forecast of improved business activity is the fact that of the eight economic indicators developed by the National Bureau of Economic Research to forecast business activity, none

is now unfavorable.

Business activity in 1959 should therefore be at an improved and high level. The possibility of a steel strike in July is an unfavorable factor. However, numerous other favorable factors such as inventories and residential construction could be mentioned. On balance the tial construction, could be mentioned. On balance the outlook for 1959 is for continuing improvement aided by the fact consumer prices have stabilized in recent months.

Continued on page 86



LINDEN GENERATING STATION, which also produces steam for Esso Standard Oil Company, has a capacity of 450,000 kilowatts of electric power.

# More and more POWER for New Jersey



BERGEN GENERATING STATION will have a rated capacity of 580,000 kilowatts.

While we do not like to gaze into crystal balls or take on the role of a soothsayer, the future growth of New Jersey is clearly reflected in the actual planning and construction of new electric generating facilities in the territory which we serve. These three generating stations will cost Public Service a total of \$340,000,000 when completed.

By 1962 the installed electric generating capacity of Public Service will exceed four million kilowatts.

Additions and improvements to the company's gas operties are being made continually. We serve more than a million customers with gas, and at present, about one-third of them are supplied with natural gas. By the end of 1959, nearly one-half of our customers will be served with natural gas.

All of these facts reflect the growth of New Jersey ... and Public Service is growing along with this great state. The years ahead hold great promise. We are planning ahead to fulfill that promise.

#### DUBLIC SERVICE ELECTRIC AND GAS COMPANY

Public Servant of a Great State

Newark 1, New Jersey

#### ROBERT L. MILLIGAN

President, The Pure Oil Company

The petroleum industry entered the year 1958 with excessive inventories of crude oil and refined products and a weak price structure amid one of the sharpest general business readjustments since World War II. Having

just completed the 1957 year in which consumption of petroleum products failed to show any improvement, the background at the beginning of 1958 presented a cheerless picture for the year ahead. Now that 1958 has become part of the record we can look back with some satisfaction that the industry has accom-Mished a very difficult task. Inveneries of crude oil have been sharply reduced and currently are some 20 million barrels below the year ago level. The industry has improved substantially its gasoline and other motor fuel inventories which currently are down some 13 million barrels from last year. Supplies of heat-



R. L. Milligan

ing oils are in an improved position compared to last year and industrial fuel inventories east of the Rocky Mountains are in reasonable balance with consumers'

As we enter 1959 the current recovery phase of our business cycle is well under way and the outlook is for continued improvement in the year ahead. There are good indications that 1959 automobile production will be higher and will result in a net increase in cars on the road. Sales of petroleum products are reflecting the rising trend in business activity and the industry is currently enjoying an increase of 3% to 4% in product consumption over last year. Backed by this more favorable climate, domestic demand for petroleum products should continue to improve in 1959 with an over-all gain for the year of something on the order of 5%, as contrasted to an increase of less than 2% in 1958 over

In recent months prices for refined products have strengthened, particularly for heating and industrial fuels. While gasoline prices have not nearly recovered from the recession low, only part of the present weakness is due to seasonal influences. Bearing in mind the industry's present improved supply/demand balance and the expected gain in domestic consumption, the product price structure in 1959 should improve but may not recover all of the over-all decline since mid-1957.

In addition to the increasing potential market for its products, there is hope for needed improvements in the administrative and regulatory aspects of our industry. Just recently the U. S. Supreme Court reversed the "Memphis Decision," thereby removing a serious obstacle to the growth and development of the natural gas industry in its efforts to satisfy the needs and desires of the American public. The gas-producing industry is the only competitive industry subject to public utility regulation. There still remains the matter of relieving the natural gas producer from strict utility-type regulation, which must be accomplished through legislation.

In the matter of imports, the industry has reason to be optimistic that a more effective and equitable plan will be adopted in 1959. There is a place and a need for both foreign and domestic crude oil in our economic structure and plans now being considered should go a long way in providing for our national defense, and in protecting both the domestic producer and the substantial investments of individal American companies

Earnings-wise the petroleum industry should enjoy a better year in 1959. Financially the petroleum industry is in a strong position and while we face continuing heavy capital requirements in the years ahead, no deterioration in the industry's financial position is en-

#### B. H. MERCER

President, Fidelity a nd Deposit Co. of Maryland

In venturing a 1959 forecast for our principal lines-Fidelity and Surety - it should be remembered that regardless of our sales campaigns, advertising and public relations programs overall results are to a large extent

dependent on the general economy. Obviously competition and other factors peculiar to our own industry must also be considered and evaluated.

For purposes of this forecast the question is-How will premium income and losses be affected by events of 1958 and conditions which may be anticipated in 1959?

First as to premium income, in the Surety field bonds guaranteeing performance of contracts produce approximately 65% of our total Surety premiums. It is estimated that contract awards in 1959 will exceed by at least 3% the record breaking year 1958. So, increased premium volume in this line can, with reasonable



certainty, be predicted. Another Surety line-judicial bonds, required of ex-

ecutors and other fiduciaries and bonds required in various phases of litigation, account roughly for 25% d our Surety premiums. A moderate increase in this line can be anticipated because rising securities, real

estate and other values result in larger estates to be administered, larger awards by courts and juries and naturally larger bond penalities and increased premiums for the surety companies which qualify on such bonds.

In the Fidelity field while 1959 is another so-called off year in the three-year premium cycle some developments during 1958 warrant optimism as to the sale of honesty insurance, particularly to new clients.

During the past year a story of employee dishonesty based on actual case histories was twice told forcefully and dramatically to the 15,000,000 or so TV viewers who enjoy the interesting Armstrong Circle Theatre programs. The employer was shocked by his financial loss and misplaced confidence in a "trusted" employee but fortunately was covered by adequate honesty insurance. For many years we have been privileged to write this type of insurance for the program's spongor, Armstrong Cork Company.

The widespread interest in these shows has resulted in many new sales of dishonesty insurance and I feel sure this demand will continue throughout the year with increased premiums to the companies writing Fidelity

Early in 1958 member companies of the Surety Association of America which write a very high per-centage of all honesty insurance written in the U. S. made available to banks at a most attractive price a coverage designated "Excess Bank Employee Dishonesty Blanket Bond." This bond is issued in one amount, \$1,000,000, and provides each purchaser with catastrophe insurance against employee dishonesty subject only to the requirement that the insured bank must carry reasonable amounts of primary insurance.

The need for this protection is clearly indicated. During the first six months of 1958 three banks were closed as a result of under-insured embezzlement losses and four other banks sustained embezzlement losses which exceeded by over \$300,000 the amounts of honesty insurance they carried. I feel that hardly any bank can afford not to have this protection and that 1959 sales of this bond will produce some increase in Fidelity premiums.

As to losses, the extent to which anticipated "creeping inflation" progresses will play an important part. For example, many of the large public contracts which we bond require several years to complete. The experienced contractor tries to anticipate conditions which will prevail over the life-time of his contract, but if labor and material costs rise beyond his allowance for such items there will be defaults which would not occur in a period of stable or declining prices. Defaults by contractors usually mean Surety losses.

In the Fidelity field inflation produces similar results. The temptation to embezzle the employer's funds or materials is always greater when living costs are increasing. Some figures recently released by F.B.I. headquarters cite the increase in embezzlements by bank employees and stress the fact that during the first six months of 1958 the number of bank robberies was greater than ever before-including the period when the Dillenger and similar groups operated so freely. Fidelity underwriters are keenly aware of these increasing losses and are actively engaged in loss prevention work.

In summary the forecast for our lines must balance on the one hand increased losses which are almost a certainty against anticipated premium increases and strict adherence to sound and proven underwriting standards. We are optimistic, and considering all factors I predict a reasonably satisfactory year.

#### DON G. MITCHELL

Chairman, Sylvania Electric Products, Inc.

America's electronics industry will achieve a new record high in sales and revenues in 1959, according to realistic projections of trends that already were well established at the start of the new year. We have every reason to believe that the industry's

total sales and revenues this year will be at least 10% greater than those of the previous record year, 1957, and more than 11% higher than the 1958 total. We expect that the industry's over-all volume will reach a minimum total of \$14.3 billion this a minimum total o year, compared with \$13 billion in 1958, and \$13.3 billion in 1957, the previous record year.

Many factors will play a part in this substantial growth.

However, the principal factor is the dynamic nature of the electronics industry, which has been recognized over the past decade as the world's fastest growing major industry. De-

spite the great advances that electronics has made in such areas as home entertainment, "electronification" of military weapons and other devices, and in equipment, including computers, for industry and commerce, it is obvious that the surface barely has been scratched and that the great future for electronics lies in new applications still in the drawing-board stage, or in ideas as yet unborn.

Don G. Mitchell

Another major factor will be the healthier general economy in 1959, as indicated by such barometers as gross national product, consumer and government spending, employment, and savings. In each of these categories, 1959 is expected to exceed 1958.

Consumer spending for durable goods-which include television sets-s expected to continue its upward curve in 1959, reaching an annual rate of about \$40 billion, a gain of about \$3 billion over 1958. We believe the public will buy 6,200,000 television sets in 1959, compared with only 5,200,000 in 1958; translated into dollars, this

means \$1.2 billion (factory price) this year versus \$705 million last year. While 1959, at the retail level, will not be a record TV year, it will equal 1957, which was a good TV year with volume amounting to \$1.2 billion.

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In other areas of the entertainment electronics field, retail sales of home radios are expected to surpass \$200 million, against \$185 million in 1958, while production of automobile radios will rise to more than \$120 million from \$77 million this year. The rapidly-growing market for phonographs will reach \$67 million or more in 1959, compared with \$57 million last year. Another \$150 million will be spent for other types of equipment in the entertainment category, against \$125 million in 1958.

Growth has been particularly rapid in electronic prod-Growth has been particularly rapid in electronic products for industrial and commercial applications, and the volume probably will rise to substantially above \$1.5 billion, a gain in the neighborhood of \$150 million. Of the total anticipated volume, approximately \$450 million represents electronic data processing equipment, principally computers. The balance consists of a wide range of systems, equipment, and devices in such fields as television and radio broadcasting mobile radio principals. vision and radio broadcasting, mobile radio raicrowa relay, marine and aviation equipment, is the trial controls, X-ray devices, and test equipment.

It is widely known that electronics in each succeeding ear plays a more important part in national defense. Any military plane, for example, is virtually a flying electronics laboratory. Missiles are launched and controlled by electronics; our air defense network is a system that functions entirely by electronics. Less than four years ago I estimated that by 1965 the Armed Forces would be spending about \$4 billion a year for electronic equipment. This area of our industry has grown so rapidly that 1959 volume will approach that figure, compared with \$3.8 billion in 1958.

The following tabulations round out the expected performance of the electronics industry in 1959, as compared with 1958:

1959 Category 1958 billion billion Distribution rev. of distributors and dealers \$1.5 Telecasting-broadcasting revenues \$2.2 Fees and Services and Installation \$1.1 million \$980 Parts for repair

If all these predictions concerning the electronics industry come true this year—and there is virtually no possibility that they will not—then every category within the industry will be above the 1958 level. Electronics certainly has earned its reputation as "the world's fastest growing major industry."

#### THOMAS E. MOFFITT

President, Hooker Chemical Corporation

In the year ahead the chemical industry may expect to face many of the same problems which have concerned its management over the past several years. These include intense competition, rising labor and other

costs, resistance to compensating price increases and obsolescence of products, equipment, processes and methods. However, much has been accomplished during the recent recession placing management in a far better position to combat and overcome these problems than has been true in recent years.

Important aspects of our Company's program during the past year which we believe is typical of our industry and which should aid management in 1959 include:

(1) Major effort to reduce costs and other expenses and improved budgetary control in all areas.

(2) Postponement of several expansion projects originally planned for 1958, and direction of capital outlay toward cost reduction, modernization, and efficiency improvement.

- (3) Intelligent inventory reduction and control in all categories.
- (4) Strengthened sales organization with redoubled sales effort.
- (5) Intensified research programs with special emphasis on early commercialization of new products.
- (6) Careful study and appraisal of new areas for expansion and growth so prompt decisions can be made when appropriate.
- (7) Streamlining management organization, thus providing for greater efficiency.

During the year just ended most companies in our industry experienced a continuing decline of sales and earnings followed by appreciable improvement during the second half of the year. Due to over-capacity resulting from rapid expansion preceding the recession, earnings for the entire year 1958 declined more percentage-wise than did sales, as compared with 1957. Our business bottomed-out in March-April of 1958 and, since August, a steady gain in sales has occurred each month as compared with like periods of 1957. October 1958 produced an all-time record in sales. Profit margins have improved steadily during recent months as sales volume increased.

We are conservatively optimistic in our forecast for 1959, both for our Company and for the chemical industry. This optimism assumes that the general economy will continue the improvement indicated by results of recent months. Forecasts must be tempered, however, in consideration of some uncertainties as to the rate and duration of this improvement. Also to be considered are



labor problems and the question whether much-needed price increases for chemicals can be put into effect.

Other factors on the plus side are the direct results of programs carried out during the recession. These include improved efficiency in all phases of operation, introduction and potential growth of new products, and readiness of new ventures for early undertaking. Because of the potential earnings leverage existing in most companies ue to relatively low rate or recent operacions compared to capacity, improvement in earnings is practically assured if sales improve. Finally, of utmost importance is the determination of management to take advantage of the many lessons learned during the recession.

In summary, it seems reasonable to expect our industry in 1959 to experience an appreciable improvement in sales and a somewhat greater percentage gain in earnings over those of 1958.

During 1959 we foresee for the industry a modest increase both in capital outlay and in research and development expenditures over those of 1958. Although long-range optimism for expansion and growth of the chemical industry is prevalent, we feel that many large commitments may await more definite proof that re-sumption of sound growth of the country's general economy is definitely under way.

#### H. W. MORRISON

#### President, Morrison-Knudsen Company, Inc.

From reliable statistical and forecasting sources we gather that the construction industry's 1959 volume will be the greatest on record. Careful estimates of public and private work programs indicate that the

dollar volume of new construction in 1959 will approximate \$52 billion, compared with 1958's \$49 billion. Since 1945, the construction industry's annual volume has risen uninterruptedly. While there is an element of inflation in this record, the inflationary element is by no means the controlling factor. Huge backlogs amassed in every division of the industry during World War II, have been maintained by pressing needs incident to the country's industrial and population growth and our military preparedness and conservation development programs.



Construction costs will continue to rise in 1959. The construction in-

dustry itself is burdened with increasing labor costs, as are most other industries. Rising prices of steel, cement, lumber and heavy construction equipment compound the difficulty of holding construction costs to a stabil-

The construction boom has attracted many new operators of limited experience. Competition therefore, is keener than it has ever been, resulting in greatly nar-rowed profit margins. But this cycle of events is not new to the industry and well established companies will continue to develop more efficient and more economical construction methods as an offset to increased labor and material costs.

#### IRWIN L. MOORE

#### President, New England Electric System

Business activity in the New England area got off to a slow start in the early part of 1958 and it was only in recent months that there were definite signs of recovery. During this period, however, electric and gas sales in

the service areas of New England Electric System more than held their own, showing for the most part weekly increases over the compar-able period of 1957.

Revenues from electric residential and commercial sales to New England Electric customers increased about seven per cent during the year, more than offsetting a one per cent drop in industrial revenues. Gas revenues continue to show large gains and were up about 12 per At present we expect consolidated



net income for the full year 1958 will approximate \$15,850,000, or about \$2,000,000 more than a year ago. This means per share earnings should be about

\$1.29 with 965,662 more average shares outstanding, or about seven cents more than the \$1.22 earned in 1957 on a lesser number of shares.

Of late there has been steady improvement in the electric and gas sales in our New England Electric territory and if the last quarter of 1958 can be considered as a barometer, our present outlook is that the industrial recovery now under way will continue through 1959 and all classes of electric and gas sales will show continued steady growth throughout the year.

Many factors have contributed to the improvement in earnings. Better than normal water conditions enabled us to reduce our steam generation which with reduced fuel costs helped offset some of the increases in other operating costs. As a result of our expansion program of the last decade a larger proportion of steam generated kilowatt-hours came from high efficiency units in 1958 than in any previous year. With these larger and more economical units in service, the amount of fuel needed to produce a kilowatt-hour has steadily decreased. Completion last summer of the new Salem Harbor 150,000 kilowatt unit, with the best economy on the System, continued this trend and our fuel consumption per kilowatt-hour for 1958 was six per cent under the

On the expense side of the ledger our labor and fringe benefit costs went up about 61/4 per cent in 1958 with a further wage increase of five per cent effective January 1, 1959 in accordance with labor agreements negotiated a year ago. The upward trend of taxes is continuing with maintenance, depreciation and fixed charges grow-

with maintenance, depreciation and fixed charges growing as we add to our plants and properties.

All in all, 1958 has been a busy year and one of progress and accomplishment as expansion and improvement in our properties continue to keep pace with the growth of our New England territory. Total construction expenditures will approximate \$38,000,000 in 1958 and our present estimates indicate that over \$30,000,000 will be expended for new plant and property in 1959. be expended for new plant and property in 1959.

Installation of the new 150,000 kilowatt unit at our steam-electric generating station in the middle of 1958 increased that station's generating capacity to over 300,000 kilowatts and boosted our total System generating capacity to nearly 1,500,000 kilowatts.

Great strides were also made on the Yankee Atomic Electric project in Rowe, Massachusetts, of which 30 per cent of the common stock is owned by the System's New England Power Company. Work at Rowe has gonsteadily forward and it is expected that electricity will

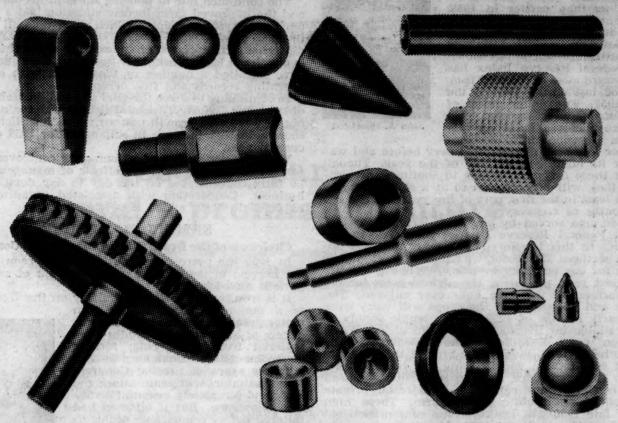
steadily forward and it is expected that electricity will be generated at the Yankee Atomic plant late in 1960.

Plans for the construction of a new tidewater steam-generating plant at Brayton Point in Somerset, near Fall River, Massachusetts are well under way. This new site, recently acquired by New England Power Company is capable of accommodating a plant of over 1,000,000 kilowatts of capacity. The first unit to be installed is expected to have a capacity of over 200,000 kilowatts, about 50 per cent larger than any now in service in New England. The installation of large highly efficient units at this site will permit us to continue to meet our expanding load with equipment requiring low fuel consumption, while at the same time we shall be keeping the capital cost per kilowatt and our other operating costs at a minimum. costs at a minimum.

As we look toward the new year, the outlook is certainly more encouraging than it was this time a year. ago. With definite signs of industrial recovery, we expect that all classes of electric and gas sales will show increases and continued steady growth in the new year.

Present estimates indicate that 1959 total sales should

Continued on page 88



## Kennametal\*...a "wonder metal" in 1938 ...a practical engineering material today

Invented 20 years ago, Kennametal was the first tungsten carbide to machine steel successfully. Produced as tiny cutting points, it was very expensive selling for one-sixth the price of gold. But it was well worth the price as it cut hardened steel many times faster than any previous cutting tool material. Production soared. Machining costs dropped. Downtime shrank. Kennametal was acclaimed as a "wonder metal."

In the past, industry has found that the "tool steel" of one age becomes the engineering material for making critical machine parts in a succeeding era. The high hardness, rigidity and resistance to wear required to withstand the tremendous pressures at the point of a metal cutting tool are the same qualities required for vital parts in machines that turn out work of great precision and consistent quality.

Consequently, industry soon began to apply these remarkable qualities of Kennametal to a wide range of applications. Not only were more cuttingedge applications found . . . in the mining, woodworking and quarrying industries . . . but Kennametal became a material of construction in making components for machines and equipment in practically every industry.

Today, a wide range of Kennametal compositions is available at only onefourth the price of twenty years ago. Designers use these hard carbides to solve problems of corrosion, high temperatures, deformation and severe abrasion on many diverse applications.

Hammers for grinding and pulverizing machines, rolls for cold rolling other metals, gripping devices that bite into the hardest steel, pump seals to handle highly corrosive red fuming nitric acid for missiles, oil well pump valves to resist attacks by acid and abrasive slurries . . . these are but a few of hundreds of critical wear parts now made of Kennametal carbide alloys to improve production and profits.

Further applications of Kennametal as an engineering material are limited only by man's imagination. Perhaps your company can profit from the use of Kennametal. If you'd like more information, just write KENNAMETAL Inc., Latrobe, Pennsylvania.

\*Trademark of a series of hard carbide alloys of tungsten tungsten-titanium and tantalum.



exceed those of 1958 by about eight per cent. It should be emphasized, however, that the overall increase for 1958 is significant enough to demonstrate the stabilizing effect of residential and commercial sales in a recession year. Conversely, the increase expected for 1959 is definitely a recovery rate somewhat higher than we regard as our typical long-term overall growth rate which we estimate at about six per cent per year.

#### JOHN A. MOORHEAD President, Northwestern National Bank of Minneapolis, Minnesota

As we enter the New Year, it is evident that business is in a favorable uptrend. The economy of the country has made a substantial recovery from the lows of 1958. The sharp decline in business inventories of the recent

recession has been halted and should be materially reversed in 1959. Business expenditures for plant and equipment are no longer declining and may rise moderately before the end of the new year. Unemploy-ment is less than earlier in 1958. Government spending at all levels has been increasing and will probably continue to rise during the new year. Industrial production as shown by the Federal Reserve Index has moved upward most of the way from the low of last spring toward the high of 1957. The dollar value of gross national product assisted by a small price increase is at an alltime high. Personal income aver-



aged higher in recent months than ever before and was at or near its highest at the end of the year. Though we expect these favorable trends to continue throughout 1959, they will probably do so at a slower rate of growth, at least in the first part of the year, than in the

earlier months of recovery. The trade area served by our bank includes most of the Ninth Federal Reserve District and area to the south of it. In this territory, except for the iron ore regions in northern Minnesota, we have had a reasonably good year for our economy in 1958. We had a bumper crop the past year, producing the highest gross income that the farmers of this area have ever enjoyed. The marketing and processing of the crops will carry over into the early months of 1959 and an ample supply of feed is available for livestock for months ahead. While construction was a little below the 1957 level in the early months of 1958, toward the end of the year the volume of construction was growing and new contract awards in the area were running substantially ahead of a year earlier in most categories—residential, private non-residential and public expenditures. These high awards of late 1958 will insure strong construction activity in the early months of 1959. Manufacturing, particularly of durable goods, is not a major factor in our area and such unemployment as now exists in this class of industry is moderate in relation to total employment and should continue to decline on a seasonally adjusted

Banking has enjoyed a profitable year in 1958 with net operating earnings in line with those of 1957 and profits on the sale of securities has added materially to income. Loans and investments are substantially higher than a year ago primarily through additions to bond accounts. This has been the trend for banks in our region, as well as for those of the entire country. With firmer interest rates than earlier in 1958 and an expectation of a higher dollar amount of loans on the average in 1959, banks may reasonably look for saisfactory op-

basis. Expenditures by state and local governments will

probably increase. Accordingly, we may expect that in this area the dollar value of gross product and of

personal income will continue to rise.

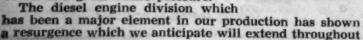
erations in the new year. It is therefore my belief we may expect a good year for business and banking in 1959 with a moderate rise in business activity as the year progresses. In our area, the measure of prosperity in the latter part of the year will be determined by the success of the farmer in the new season, and his success will depend upon crop conditions and prices of his products.

#### ROBERT H. MORSE, JR. President, Fairbanks, Morse & Co.

We enter 1959 with optimism and confidence that our business will show an improvement over the past year. The general improvement in business conditions is expected to bring a continuing betterment in the level

of orders in all divisions of our company. Close control of expenses and improved operating efficiencies are expected to improve profit ratios in the face of rising material and labor costs.

A number of new developments are expected to move into production after satisfactory performance tests. One of the most significant is the new axial flow rotary compressor, a number of which are in successful operation for the Air Force. There exists a large market for this equipment in many types of industry requiring large quantities of air and gases under pressure.



1959. Increased power demand is resulting in expansion of utility plants. Standby service is achieving broader recognition in many areas where power failure is increasingly costly and crippling. The tremendous growth of inland waterway traffic is bringing many increased power needs for new towboats and tugs.

Our nation's continually expanding population brings with it the accelerating need for water and sewage handling pumps and drivers. To serve this market we are ideally suited with our complete ability to fulfill all size and type requirements, our broad experience with outstanding installations, our extensive research and model testing facilities, and our ability to furnish single responsibility of pump and driver, either motor or engine. A number of large municipal projects have been completed during the year past and many more can be expected that will add materially to our sales volume.

The growth of automation in industry has brought emphasis to the advantages and benefits of electronic weighing equipment. The long and successful history of Fairbranks-Morse in the scale business is being maintained by active research and development of electronic scales and attachments.

The continued rate of housing starts projected for 1959 and the improved farm income situation bodes well for our water system business which stood up well through the past year.

Mechanization of reefer car cooling and refrigeration is opening a large market for packaged diesel units. We have installed a number of these units with excellent operating records and fine acceptance.

In continuing to serve the vital and indispensable needs of man and industry, we at Fairbanks-Morse are looking forward to a growth pattern which is anticipated to show a 10-15% increase in shipments for 1959 over the current year.

With the conclusion of a four year controversy over control of the company, the efforts of management can be fully concentrated on the day to day details of the business. Cooperation with associated organizations is expected to bring added new business.

#### SAMUEL B. MOSHER

#### Chairman of the Board, Signal Oil and Gas Company

In 1959 the petroleum industry should reap some of the harvest of benefits from the program of self-discipline it sowed in 1958.

It is true that fuel oil, particularly on the West Coast, is a major problem; margins on motor gasolines are too meager; producers of heavy gravity crudes have suffered from price cuts; foreign governments are threatening to seek a larger share of profits; Congressional agitators will again attack the basic and completely essential depletion allowance. But if oil men had faltered before comparable problems in years past, the world would not today be in the comfortable position of having large reserves of low-cost energy fuel available to spur the growth of industry and speed the progress of underdeveloped nations. Legislators would do well to keep



Samuel B. Mosher

this in mind as well as the fact that the costs of finding new reserves in this country are increasing at such a rate as to make many projects un-

The current problems will be solved. One has only to review the predictions for petroleum demand in the next 10 years to realize the tremendous efforts the industry must exert to keep pace. That the petroleum industry will keep pace, no one doubts, but an adequate profit margin is the key to the industry's ability to meet world demand. In fact, it is the foundation upon which the whole structure must be built.

In 1959 the industry should begin to emerge from the current transition period, and aggressive companies will prosper as they follow what appears to be the inevitable growth pattern yet to be charted for them.

#### CHARLES G. MORTIMER President, General Foods Corporation

As one of the few businesses relatively unaffected by the recession of 1957-1958, the food industry has sound reason for optimism in 1959 as the economy moves up-

ward. But to do well in the future, the industry will have to do even better than it has in the past if it is to maintain its record of providing more and better

food for fewer hours of work.

To enhance the industry's vitality, to compete successfully for a fair share of the consumer's dollar, it will be necessary to accentuate the longrange concepts and policies which have benefited both the industry and the consumer. Hopefully, 1959 can be a "turning point" year which will bring a slowdown in some troublesome trade practices — the gimmick warfare, the excessive use of "deals," and other "giveaways" - which do not make real or lasting contributions to the permanent, healthy growth of the industry nor provide vital service to the



Charles G. Mortimer

consumer. Closer cooperation between all its segments is the key to the better service the industry must provide all down the line. At General Foods, we are striving for better understanding of our customers' problems and the im-

provement of service, in order to make it more attractive

for them to do business with us.

One step we are taking is the development of a new
Distribution-Sales Services concept, to custom-tailor our service to meet the needs of individual distributors. By carefully scheduling combination carload and truckload shipments of a number of our products and getting them to our customers on a dependable basis—even on the day of the week that suits the customer best - we help distributors reduce their capital investment through lower inventory levels. Some have been cut by as much

Growing and increasingly fierce competition requires unprecedented flexibility and resourcefulness in food business management. Its past record augurs well for the industry's chances for success in the future.

More important, these conditions hold great promise that the consumer, who is the mutual "boss" of all of us in the food industry, will continue to reap ever higher benefits in convenience and quality and at prices she can afford to pay for the greater value we continue to give her.

#### WILSON MOTHERSHEAD

#### President, The Indiana National Bank of Indianapolis

The year ahead appears highly favorable for business in general. With the recession mostly behind it, the economy is starting the new year with gross national product at near record levels. Although agriculture and some other sectors of the economy will lag behind, the outlook gener-

ally is encouraging. In Indiana, farm income is expected to drop slightly in 1959. Hog

prices will be lower, and cattle and grain prices are expected to decline moderately.

Demand for consumer durable goods should continue to improve. The automobile and appliance industries will have a better year which will greatly benefit the Hoosier economy. Unemployment in our area, which has responded more slowly than expected to the improvement in the national business picture, will decline to more normal



levels. Demand for services will be strong. Inventory accumulation will increase. Department store sales should continue their slowly rising trend. Christmas business was excellent, surpassing 1957 in dollar volume.

New housing starts may trend downward in mid 1959 unless a threatened shortage of long-term mortgage funds is averted. The volume of VA and FHA financing has declined with rising interest rates. Heavy Treasury financing in the coming months is expected to compete in the long-term market for mortgage money. Although new plant construction will be up only slightly, commercial and school, hospital and other municipal construction will be at a high level in 1959 and the Federal highway program will commence to stimulate

Though 1959 will be a good year for Indiana, it will bring problems. Labor contracts in some of our major industries are coming up for renewal. Competition will be a restraining influence on profit margins. Prices will continue to rise although at a slower rate and their increase will be felt chiefly in hard goods and services.

In the banking industry we experienced a sharp down-ward adjustment in interest rates last year and a rather sudden reversal of the trend, leaving current money rates below their 1957 peaks. Demand for credit should grow as inventories, new construction, consumer purchases and prices increase. These pressures will influence money rates in 1959.

#### VICTOR MUCHER

#### President, Clarostat Manufacturing Co., Inc.

With one possible exception, all signs point to probably the greatest year yet in radio-electronics.

First and foremost, we have overcome the design stagnation of the past few years in radios, TVs and phonographs. Until recently, we had

no fundamental improvements. Sets bought years ago provided all the entertainment demanded by the average household. The main set in the living room might be supplemented by a second and even a third set for den, rumpus room, bedroom or kitchen. Most cars came through with radios. Portables had become commonplace. But by and large, the usual set was not obsolete and simply was not replaced. And so the radio industry, save for those extra sets in many households, was stagnating to a considerable degree,

causing some loss of sleep among

manufacturers. But now comes the



Victor Muche

stereophonic fad. Stereophonic broadcasts are starting up. Using the present AM band, it now looks as though stereophonic programs will be taking over. FM too is in for a big boost with the advent of FM multiplex stereo broadcasts. 1959 may see many present radios junked in favor of the stereophonic version.

Much the same thing may happen with TV sets. Several years ago when TV graduated to 17 inch and 21 inch screen sizes, the average household was thoroughly content until color TV might "become practical." Almost every home in the land had a TV, good for years. We faced saturation.

But now we are getting into more realistic TV sound.

Sets are appearing with two or more speakers. It's a foregone conclusion that we shall be getting stereophonic ound with our TV pictures—at a price. It's even safe to predict stereoscopic or three-dimensional pictures a price. And so the old TV set faces obsolescence while the TV set business steps into a new era of bigger and better sales and profits.

Then there is recorded music. Stereophonic music has given phonographs, records and tape recorders a brand new impetus. Elaborate "home entertainment centers" housing AM-FM radio, TV, phonograph and even a tape recorder, are selling in the thousand dollar bracket.

Tens of millions of existing radios and TVs must be kept perking in 1959 by established servicemen using tens of millions of dollars of replacement parts, repre-senting an important segment of the components business.

The military business which dominated the radioelectronic industry a few years back, remains a big factor but is no longer our mainstay. Manufacturers have gone back to civilian-mindedness, developing and pro-ducing and marketing products which were all but forgotten a few years ago.

The only possible dark cloud on the 1959 horizon is foreign competition right at our doorstep. The Japanese in particular are landing components and assemblies at prices we cannot meet. It will require real understand-ing and cooperation on the part of American labor and perhaps government measures to keep such competition from becoming a serious threat.

Otherwise, it looks like the biggest radio-electronic

year yet.

#### H. C. MURPHY President, Burlington Lines

The Chicago, Burlington & Quincy Railroad enters the new year with more favorable prospects than in 1958, and present indications are that 1959 also should be a better year for the industry as a whole. Whereas a year ago the railroads' traffic was declin-

ing as a result of the nationwide recession now business appears to be following an upward trend with the general recovery of the economy.

Aided by the bumper crop of wheat and other grains, the Burlington's traffic turned up last summer, and carloadings for the year were only slightly below the 1959 level. Despite wage increases, total operating expenses were reduced in line with the lever volume of business. with the lower volume of business, with the result that net income increased by more than 10%. For 1959 an increase of 3 to 4% in operating revenues is anticipated.



The freight car supply is expected to be adequate to meet shippers' requirements in 1959. Last year (1958) the Burlington acquired more than 2,300 new cars, including 1,500 boxcars, and other types designed to meet specialized needs. The 1959 equipment program provides for 1,500 new cars, including 600 50-ton steel boxcars with 14-foot maximum door openings; 100 insulated Damage-Free boxcars with cushion underframes; 500 steel hoppers; 100 covered hoppers with a capacity of 3,500 cubic feet; 100 bulkhead gondolas; 50 bulkhead flatcars; 20 Airslide cars, and 30 cabooses equipped with radio. Most of these cars will have roller bearings. In addition, the railroad has scheduled an expanded program of heavy repairs to nearly 4,800 exist-

In cooperation with connecting western railroads, the Burlington reduced the running time on its transcontinental freight schedules in 1958. For its accelerated freight service between Chicago and Denver, the Burlington Lines this year will acquire 16 new 2,400-horsepower diesel units, along with twelve 1,750-horsepower road switchers and nine 1,200-horsepower switchers.

Passenger traffic this year is expected to hold close to or slightly above the 1958 level, which was about equal to that of 1957. In their first two years of operation, the Vista-Dome Denver Zephyrs, introduced in October, 1956, carried approximately 420,000 passengers between Chicago, Denver and Colorado Springs, 20% more than rode the former Denver Zephyrs in the previous two years. The Slumbercoaches on the new trains have averaged 32 passengers per car trip-better than 80% of available capacity.

The past year has witnessed growing public recognition of the deep-seated problems that have long hampered the railroads' efforts to compete with other modes of transportation. Much still needs to be done on the legislative level in order to give the railroads fair treatment from government, and equal status with their competitors. Particularly we seek repeal of the excise tax on passenger service; more freedom to adjust our rates: repeal or further curtailment of the agricultural commodity exemptions from regulation; and in tax legislation, more realistic treatment of depreciation of our property.

We hope and believe that further progress will be made toward these objectives in 1959. The relief we seek would help us not only to meet but to make competition, and to fit our service more closely to our customers' needs-thereby helping them and ourselves.

#### CLARENCE J. MYERS

President, New York Life Insurance Company

Sales of life insurance in the United States totaled an estimated \$65,500,000,000 in 1958, about 2% short of the 1957 volume, but still the second largest year we have ever experienced. For the 25th consecutive year

new business has exceeded terminations of old policies, and thus once again insurance in force has rise On Dec. 31, insurance in force in the United States totaled an estimated \$493,000,000,000.

There are two sides to life insur-ance that I think it is timely to emphasize in a brief commentary like this. In the first place providing contractual payments to policy-holders and their beneficiaries must always rank as the primary purpose of our business. It is important to note that these payments are designed to meet a wide range of contingencies. Contrary to what I find



many people believe, death claims are not the principal component of benefit payments. Thus matured endowments, annuities, dividends, and miscellaneous other outlays to policyholders totaled an estimated \$4,325,000,000 last year, exceeding death claims by \$1,400,000,000. In addition, accident and sickness payments, which cover principally disability and medical and hospital expenses, totaled \$2,220,000,000. Total bene-

fit payments in 1958 amounted to \$9,500,000,000, at \$750,000,000 more than in 1957. In both years de

claims accounted for only about 31% of these paymer. The other side of life insurance that ought to be hasized now is the investment side. Over the years have invested funds not required to meet current bene payments, and the interest we have received has substantially reduced the cost of insurance to the public. Last year, for example, it is estimated that the investments of all U. S. life companies yielded a net return of 3.85% before Federal income taxes. Stated in terms of dollars these earnings amounted to more than 20% of the premiums the companies received. Without the offset of this interest return, life insurance would be considerably more expensive than it is. The investment side of our business thus has a dollar and cents importance to our policyholders, and needless to say the magnitudes in-volved make it of importance to the general economy.

Looking to the rest of this year we are all hopeful of selling more insurance to the public than we did during the peak year of 1957. As a matter of fact the U. S. companies wrote more ordinary insurance last year than they did in 1957 but our group volume, which is more responsive to changes in business conditions, declined about 20%. With most business indices now rising there is general expectation that economic conditions will be considerably better in 1959 than they were last year.

Corporate earnings have already risen from the low

Continued on page 90

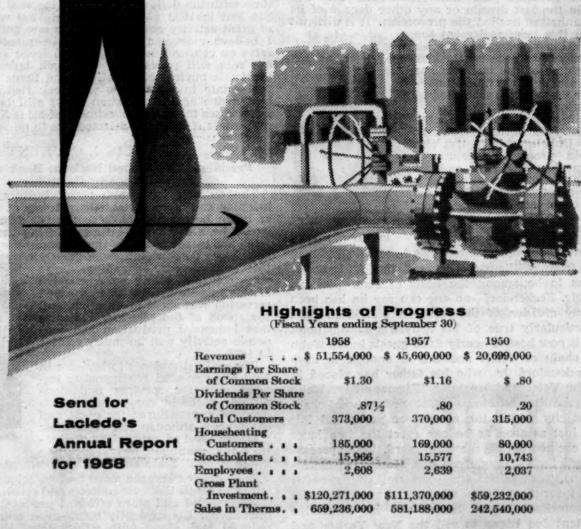
## A record year and a promising future

In 1958, Laclede Gas Company succeeded once again in bringing better service to more and more customers. It was a record year for sales, revenues, total number of customers and property investment-despite a nationwide economic recession.

16 thousand new househeating customers were added, utilizing gas made available by the successful development of underground storage. While the demand for househeating service still exceeds the available supply, more than half of Laclede's customers now heat their homes with gas—another record.

During the past year virtually all homes built in Laclede's service area were equipped with gas heat and gas water heaters. Currently, 80% of all homes in the service area use gas for cooking. The use of gas clothes dryers and gas refrigerators is growing.

The expanding population and industry of the St. Louis area are continually making new demands for natural gas. By exploring every means for providing an abundant supply in the years ahead, Laclede is working aggressively to meet these new demands of progress.



LACLEDE GAS COMPANY, 1017 OLIVE ST., ST. LOUIS 1, MO.

point of the recession. Unemployment, which amounted to 71/2% of the labor force last April, has now declined to less than 6%. Disposable income has been rising since last spring. Improved corporate earnings and declining unemployment mean better markets for group insurance. A rising level of disposable income means a broader market for ordinary insurance.

We expect our group writings this year to increase and we are looking for further increases in our sales of ordinary insurance. Insurance in force which has increased in 56 of the 58 years of this century should increase again this year.

With respect to the investment side of our business, as has been true for a number of years past new investments can be made at higher rates than the average rate that prevails on our existing portfolios. Hence, our investment earnings should improve again this year with resulting benefits to policyholders.

In short a good year is in prospect for life insurance, with our insurance sales rising and our investment return continuing to improve.

#### J. WILSON NEWMAN President, Dun & Bradstreet, Inc.

Just, as many overstated the severity of the 1957-58 Recession, there is a tendency to be excessively bullish on business activity in 1959. Actually, we should be pleased at a situation which is neither a buyer's nor a seller's market. A modest gain in our industrial pace is better for the resources of the economy because it maintains a desirable competitive tension which stabilizes prices and increases productivity. It is just as well to give the edge to the buyer, and keep him in a good bargaining position. During the past year, with the lull in sales, both management and labor relearned a few basic lessons in economics.

In recent months, management got rid of a lot of dead wood, improved its inventory position, cut out waste motion and eliminated waste in materials. With the competition for jobs, both white and blue collar employees paid closer attention to business and productivity improved. Good management in 1959 aims to hold gains registered in 1958. Some of these gains will be due to the recognition of obsolescence, and the discarding of marginal and non-competitive equipment. How does one know that equipment, despite excellent maintenance, is suffering from obsolescence? The answer is simple. When you are losing orders under competitive bids, some one has a better machine or a better method than you have.

We are entering 1959 with more confidence than when we entered 1958, but there is no justification in expecting a boom. Auto sales will improve, and should spark a substantial chain reaction in business activity, but we don't want another 1955, when the auto market was glutted by excessive pressure and normal sales preempted for two years ahead. Let's live one good year at a time, and 1959 should be a productive and profitable year for most of us.

#### CHARLES F. NOYES

#### Chairman of the Board, Charles F. Noyes Co., Inc.

Nineteen hundred and fifty-eight will go down in history as the greatest year that New York City has witnessed in the last decade or any other decade of its history. Manhattan has led the procession. It is difficult to cover in this brief statement the

activities of the year. Every branch of the business has been spectacular and the volume of the business has been gigantic and at times unbelievable for those who have followed the market for the past 50 years.

Let's start somewhere — so here goes for Hotels, a necessity for any large city. Unbelievable figures and unbelievable progress. Dozens of hotels have changed hands and all are important ones. We witnessed a few weeks ago the sale of the Hotel Plaza that came into existence about the time I came to New York so it is a vintage of about 60 years ago. The Sheraton Hotel chain has fared well

Charles F. Noves

in 1958 throughout the country, and in New York they purchased from William Zeckendorf the Ambassador Hotel so as to be among the hosts of Park Avenue. Speaking Mr. Zeckendorf-no one can say he has been quiet in any division of the real estate field in 1958. This is particularly true of his activities in the hotel field. Bill is now host to nearly 6,000 guests in his Webb & Knapp chain of hotels and this is enough to keep William Zeckendorf, Jr., who his father has placed in charge of the Hotel Division, busy 15 hours a day. Webb & Knapp claim they will have a 10,000 room hotel chain here in the city within the next three years and this will come just as soon as he can erect the two large hotels that are now on his drawing-board. Their present hotels include the Commodore, Astor, Manhattan (formerly Lincoln), Taft, Drake and Chatham. Of course, if it were not for the United States Government, who . actually compelled Conrad Hilton and his Executive Vice-President Joe Binns to sell the New Yorker and other hotel properties throughout the country, they

would probably control the greater part of the business in this and other cities. Mr. Hilton's success, as we all know, has been phenomenal but one does not feel sorry for his having been driven to seek hotel investments abroad because his success in every part of the world has been as remarkable from a financial viewpoint as has his Hilton and Statler chain in this country and particularly in New York City. The Knott Hotels Corporation, under the direction of W. E. Dodd, President, with Irwin Berliner as counsel, has made real estate history in 1958. Their wonderful hotel at Idlewild greets all coming in from other countries, their hotels in Canada and London have been very successful and their New York City hostelries have never been more popular.

Syndicates and Syndictors were little heard of 10 years ago. In 1958 they had the greatest influence on New York City real estate and these investment purchases reached several hundred million dollars of value and took from the market many large important buildings. It is stated that Lawrence Wien, by far the leader of all syndicate buyers, has more real estate under his control than any single individual in the country and next to the United States Government represents the largest real estate interests in the United States. Mr. Wien was the forerunner of syndication. For over 20 years each of his syndicates has been successful and today his interests include practically every type of property including some of our largest hotels, office buildings and apartments throughout the country as well as in New York City. Other syndicators who represent strong buying capacity in real estate in New York City include Louis J. Glickman, who recently purchased the General Motors Building as well as 37 Wall Street (43 Exchange Place), next to the famous J. P. Morgan & Company corner.

#### Title I Housing Projects-Slum Clearance, Etc.

Definitely and without reservation Robert Moses has done more for New York City real estate and for New York City than any other one man. In every borough and every neighborhood where he has planned or de-veloped for slum clearance or under Title I projects values nearby have rapidly improved and New York City has profited through increases in taxable value. 1958 was a great year of accomplishment for Mr. Moses and his associates and for the people of New York and the City. In James Felt, Chairman of the City Planning Commission, the City has a man dedicated to his duties and no one who has previously occupied his position has had a greater knowledge of real estate or the training that he possesses.

#### Housing Project in 1959

We have good assurance in 1959 of a housing development south of Wall Street from Broadway to Pearl Street and along the Battery. Five acres are involved (219,000 feet to be exact) in the original plans and scores of outmoded buildings fronting on Broad Street, east and west, will be taken. The development originally was planned for a high-grade project of 2,500-4,000 rooms with landscaping. The property to be taken produces little income. Only through a Title I proposition could this property with possession be obtained. Hon. Vincent A. G. O'Connor, the unusually able Commissioner of Marine and Aviation is sponsoring a Helicopter Port near the development and adjoining the Staten Island Ferry and near the Brooklyn Bridge several new housing propositions are actively under discussion.

While I doubt if there will be another year in my time with the dollar volume that the real estate market has had in 1958 yet I am certain 1959 will be a year of great activity and a prosperous one with all brokers. believe mortgage money will be plentiful with 5% rates on conservative 50% to 60% loans and a  $5\frac{1}{2}$ % to 6% rate will prevail for the much larger loans. Enthusiastic buying will continue and there will be many real estate investors who will seek real estate as the best hedge against inflation and I still believe that in many cases the safest investment of all is New York City real estate if carefully selected.

#### FRANCIS E. NUGENT

#### President, The Second National Bank of Nashua, New Hampshire

The outlook for banking and business for 1959 is brighter and more certain than it was at the beginning of 1958. A year ago, most economists agreed that there would be a decline in business during the first half of

1958 and a recovery in the second half, based on expectations of greatly increased defense spending, large non-defense spending and aggressive efforts to ease credit. The expected recession was short in duration, and the speed of the recovery indicates that industrial production and economic activity will be much greater in 1959

The main stimulants to business in 1959 are expected from greater expenditures for services and nondurable goods by consumers; a high level of expenditures for plant and equipment, although less than 1958; a higher level of automobile production and continued heavy spending

at all Federal, State and local government levels.

Businessmen became more cost conscious during 1958, with the result that cost controls and resultant economies were effected and more efficient production equipment introduced. Consequently break-even points have been reduced and, along with an expected increase in the volume of business, should result in greater profits. The

Francis E. Nugent

year will not be as profitable as most economists expect, nor as profitable as the stock market is trying to anticipate. The greater volume of business and lower break-even points will be offset to some extent by higher labor income resulting from higher wage rates and longer work weeks. While management may be determined to resist increases, labor's demands will be stiffer than

Another offset to higher profits may be lower price levels. Because many industries have increased productive facilities considerably in recent years, total productive capacity is greater than needed for current demands. Competition for sales within and between industries may check increases in prices. Foreign competition, because of lower costs, will also influence our price levels. Many industrialists are disturbed by the increase in effectiveness of foreign competition and its future implications as to world markets.

The year 1959 will be more profitable for banking because credit demands from consumers and industry will continue at high levels and the Treasury will need funds throughout the year. Although the new issue volume of tax-exempt securities in 1958 established an all-time high, a continuance of spending for schools, roads and other public purposes indicates another new high. The total demand from all sources for long- and short-term funds will be greater than the supply and will result in higher interest rates from loans and investments.

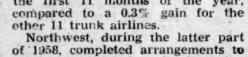
Although President Eisenhower has announced his intention of seeking a "balanced budget," the spending in-fluences of both parties will prevail, contributing to a continual Federal deficit. Control of inflation must depend on the stated policy of the Federal Reserve System to maintain the purchasing power of the dollar and the announced intention of the Secretary of the Treasury to follow a course of anti-inflationary debt financing. This combination means tighter credit.

In conclusion, banking should experience higher gross and net profits, greater deposits, bond losses and fewer loan problems. Banking and financial competition will receive more attention from State and Federal Legislative bodies.

#### DONALD W. NYROP President, Northwest Airlines, Inc.

Northwest Crient Airlines enjoyed a good year in 1958, the best year in our 32-year history, as a matter of Preliminary year-end figures which I now have on my desk indicate that Northwest made a record net

income of \$5,315,000 during 1958. This is up 10.3% from 1957. Northwest became a \$100 million corporation during 1958 when it realized total operating revenues of approximately \$101 million. Northwest carried 1,575,809 passengers on its domestic coast-to-coast system in 1958, up 16.5% over the previous year. We led the industry in percentage gain in revenue passenger miles flown, 1958 over 1957. Northwest showed a 15.4% gain during the first 11 months of the year, other 11 trunk airlines.



obtain a line of credit and additional equity financing totaling \$33.5 million. This money will be used for the purpose of obtaining pure jet and prop-jet airplanes which will carry us into the jet age. We will have 10 Lockheed Electras flying our routes this year, and five Douglas DC-8 jets will follow in 1960.

In addition, Northwest began operating a new route from Chicago to Florida in December. This route will do much to offset our historical winter traffic decline because of the essentially "cold-weather" route we op-erate from New York to Seattle across the northern tier of states. The route adds Atlanta, Tampa, St. Petersburg, Clearwater and Miami to our system. When the CAB gave us authority to serve these cities it was the first time any new domestic cities were added to our route system since 1948. Before Northwest began Chicago-Miami service the route was the largest two-carrier market in the entire United States.

The entire commercial airline industry was marred by labor trouble in 1958, much of it at the critical Thanksgiving and Christmas holiday periods. travelers were unable to be with their families during these holidays. Public reaction was immediate and justifiable. Costs within the industry continue to rise and the scheduled airline industry has been unable to make realistic fare adjustments to meet increasing expenses. Our average fare has risen only one-half cent per mile during the last 20 years. Meanwhile, prices of products and services the airlines must buy to stay in business have risen more than 45 per cent in the last 10 years. Despite record revenues, the domestic trunklines had an approximate net profit in 1958 of \$30 millionabout the same as in 1957.

Despite the size and seriousness of the problems that face the industry, I look for a better year in 1959 providing the nation's overall economy continues its upward trend away from the recent recession. Total revenues certainly will be higher and I hope, despite everincreasing expenses, that the industry's net income will show a good gain. The problems we face now are big, but problems facing those connected with airplanes have been big ever since Dec. 17, 1903.



Donald W. Nyrop

#### ROBERT L. OARE Chairman of the Board, Associates Investment Company

The outlook for 1959 is encouraging. General business activity seems to have shaken off most symptoms of the 1958 business decline and has been rising steadily from the low points recorded in the spring of the year. It



would now appear that the nation's economy has rebounded from the recession more quickly than earlier anticipated and there is every indication that the upward trend will continue during the first half of the new year and most likely through-out 1959.

Of particular note during this year's business decline has been the resistance of personal income to downward pressures. As a result, personal consumption expenditures for all types of goods and services continue to be a basic strength in the overall economy even though purchases of some durable goods, par-

poned this year by many consumers. In view of the continued demands of the American consumer, production has again commenced to rise in order to restore inventories to a more normal level enabling the economy to pick up momentum and move to higher grounds.

Government spending at all levels will undoubtedly continue at phenomenal rates. Business expenditures not only for plant and equipment but for research and development of new products which are equally if not of a greater importance than an increase in capacity should also rise moderately.

At Associates we are particularly interested with the recovery anticipated in the automobile industry, which in turn should also make a significant contribution to the improvement in business generally. While it is difficult to determine the extent of the rise in new car sales, prospects for 1959 appear to be favorable compared to 1958.

Industry output of new passenger cars in 1958 will probably total 4.3 million units, which would represent a drop of 30% from 1957. As we see it, passenger car production during 1959 should be in the neighborhood of 4.8 to 5.2 million ears, which would represent an increase of 10 to 20% over the projected figure for 1958. Registrations in the year ahead should be up a like amount or to a 5.2 million figure and possible rising to 5.6 million, including foreign car registrations. We do not anticipate foreign makes acquiring any greater proportionate share of the overall market.

Some opinions have been expressed that we can anticipate a near record year in new car sales, for 1959, not far below 1955's total of 7.2 million. We believe such an outlook is unrealistic. It must be borne in mind that 1955 was an unusual auto sales year, inflated to a considerable extent by the liberalization of installment credit terms. Competitive factors in recent years resulted in the lengthening of maturities and lowering of down payments and it would seem that in view of the industry's experience during the recent decline in the economy, there should certainly be no further relaxation of terms.

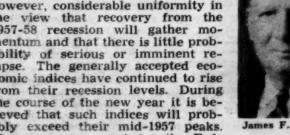
The year 1959 may well be the biggest year in our nation's history, but the continued threat of further inflation, perils any significant benefit to either business, labor or the American consumer. Because inflation poses such a problem to all Americans, agitation for direct governmental controls on various segments of the economy seems inevitable. Controls limited to any single sector of the economy, however, could lead to an even greater inflationary spiral.

Associates look forward to a continued growth pattern, in 1959, based on sound credit principles which have characterized the automobile financing industry down through the years.

#### JAMES F. OATES, JR. President, The Equitable Life Assurance Society of the United States

We have been asked: "What lies ahead for the life insurance business in 1959?" Forecasting is always at best a difficult and hazardous task, and particularly so at this time against the opaque background of economic anomalies and contrasts experienced

Clearly, economists are not in complete agreement as to either the timing or the extent of probable business growth in 1959. There is, however, considerable uniformity in the view that recovery from the 1957-58 recession will gather momentum and that there is little probability of serious or imminent re-lapse. The generally accepted economic indices have continued to rise from their recession levels. During the course of the new year it is be-lieved that such indices will prob-



ably exceed their mid-1957 peaks. James F. Oates, Jr. Many sources expect (a) the Federal Reserve Board Index of Industrial Production to go to 149, (b) Gross National Product to approximate \$475 billion and (c) disposable personal income to reach \$320 billion. We in the Equitable are optimistic and share the

**C. J. Devine Endows** NYU Fin. Research

Plans to establish The C. J. De-vine Institute of Finance at New York University's Graduate School of Business Administration were announced re-

cently by Dean G. Row-land Collins.

Christopher J. Devine, head of the firm bearing his name, C. J. Devine and Company, government bond house, has made a "ma-jor individual gift" to establish the Insti-



tute, Dean Collins said. The Institute will conduct studies in the money market, Federal Reserve policies, government finance, and related areas, and will publish at least five research bulletins a year. It will have its physical quarters in the School's new \$3,500,000 building that is now under construction at 100 Trinity Place. The building is to be ready for occupancy in September.

Dr. Marcus Nadler, professor of finance at the School and a widely known authority on the money market, will be research director of the C. J. Devine Insti-

In announcing the gift, Dean Collins said:

"Always a firm believer in the dissemination of information about the money market, Mr. Devine is establishing this Institute to carry on a continuing program of objective research studies. This is a major and generous contribution for a specific program. It will give the School an opportunity to conduct pioneering financial research and to disseminate the results of a continuing series of studies that will go forward under Dr. Nadler's distinguished and able direction.

"Mr. Devine has been a friend and generous supporter of the School's overall program for a number of years," Dean Collins added. "He has consistently encouraged and assisted employees of his firm in continuing advanced studies at the School."

In 1946 Mr. Devine was elected to honorary membership in the Delta of New York Chapter of Beta Gamma Sigma, the national honorary scholastic society in the field of business.

The new 10-story building for NYU's Graduate School of Business Administration is being constructed between Cedar and Thames Streets, on Trinity Place, two doors north of the American Stock Exchange. It will house a 500-seat auditorium, a library, classrooms, research institutes, dining facilities, and lounges and

The School, which was founded in 1916 as a graduate division of business studies, now occupies a four-story building at 90 Trinity Place. Its current enrollment of 5,200 is larger than that of any other graduate business school.

#### Wesley Zaugg Opens

KENSINGTON, Md. - Wesley Zaugg is engaging in a securities business from offices at 4132 Howard Avenue, under the firm name of Wesley Zaugg & Com-Mr. Zaugg was formerly with Heritage Securities Co. and Atomic Development Securities

#### With Hathaway Inv.

(Special to THE FINANCIAL CHRONICLE) DENVER, Colo. - Bernie H. Parsons is now connected with Hathaway Investment Corp., 1845 Sherman Street.

Twin City Inv. Women To Hold Meeting

of the New Year on Jan. 21, 1959.

The meeting will be held at
Coleman's Restaurant in St. Paul.
Social hour from 5:30 to 6:30 p.m. will be followed by dinner.

The guest speaker will be A. C. Regan, Vice-President and Secre-tary, Trust Department, First Na-tional Bank of Minneapolis. Mr. Regan will speak on "Trust In- conducting a securities busines vestments."

are President, Gwenyth Nicholson, Johnson & Co. and A. B. Morri-First National Bank of Minneapo- son & Co.

lis; Vice-President, Jeanette Rystrom, First National Bank of St. Paul; Treasurer, Marvel Kinley, Paine, Webber, Jackson & Curtis, MINNEAPOLIS, Minn.—The Paine, Webber, Jackson & Curting Twin City Investment Women's Minneapolis; Recording Secretary Club will hold their first meeting Betty Cowley, Farmers & Mechanics Savings Bank, Minneapolis; Corresponding Secretary. Ruby Nelson, Kalman & Co., Inc.,

#### J. G. Pasco Opens

MIAMI, Fla.-John G. Pasco is from offices at 4039 Ventura Ave. The officers for the coming year He was formerly with Roman



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Diebold pioneered mechanized filing more than 25 years ago . . . and has since been the leader in mechanized files, offering hundreds of different models to meet the needs of every business . . . whether it has 3,500 records or 5,000,000!

Small, medium and large companies using Diebold Mechanized Files report they pay for themselves in a year through reduced time, reduced space needs and in heightened personnel productivity.

Job application studies pertinent to your field will show how Diebold Mechanized Files can mean similar savings for you. They're yours for the asking. No obligation, naturally.



Continued on page 92

view that 1959 will be a year of continued gradual

expansion of business activity.

On the basis of statistics from the Institute of Life Insurance and the Life Insurance Agency Management Association, it is now estimated that at the end of 1958 there was \$493 billion of legal reserve life insurance in force in the United States, covering some 112 million policyholders. This in force volume is 8% over the 1957 year - end figure. New life insurance sold in 1958 amounted to approximately \$65.5 billion. The sale of ordinary life insurance was up about 4% in volume, in comparison with 1957, but group insurance and industrial insurance sales were off somewhat from their 1957 rates, resulting in a net decrease in total insurance sales of approximately 1.8% for 1958.

The average amount of life insurance owned per family in the United States has shown a steady upward trend. However, it still is equal only to approximately 18 months of average disposable income per family Obviously, there remains plenty of room for growth in the use of life insurance to provide minimum guaranteed financial protection. A recent market survey made by the Equitable reveals that large numbers of people are aware that they ought to carry more life insurance. In fact, a majority of the participants in the nationwide survey sample endorsed the statement that "you should have as much life insurance as you can possibly afford.' In view of the existence of a substantial and responsive market and the anticipated increase in disposable family income, the sale of ordinary life insurance in 1959 should be up possibly as much as 10% compared with 1958. Group insurance sales should improve at about the same rate.

According to estimates by the Life Insurance Association of America, as of Dec. 31, 1958 the assets of life insurance companies in the United States were approximately \$107.2 billion, up \$5.9 billion since the end of 1957. Investment earnings of United States companies in 1958 are estimated to have been \$3.9 billion, an increase of \$300 million over 1957. The 1958 net rate of investment earnings of life companies before taxes was approximately 3.85% compared to 3.75% in 1957. Investments made in recent years have been at considerably higher interest rates than were available during the 1940s. As the older investments have matured, or have been amortized, funds have been placed in higher yielding investments, and the gradually increasing average rate of return since 1947 should continue in 1959.

According to present trends, the total demand for capital funds in 1959 may be expected to increase over the 1958 level. Interest rates may, therefore, be expected to continue firm or to rise somewhat this year. Life insurance companies now have sizable commitments outstanding and will not lack opportunities for the investment of additional available funds. This situation may well result in a further increase in interest rates for

both mortgages and securities.

Life insurance, because of its emphasis on individual savings and its function in capital formation, is one of the most stabilizing factors in our nation's economy. However, as custodians of the people's savings and as lenders promoting the economic growth of the country, the life insurance companies face a special challenge in the continuing threat and danger of inflation. While there is nothing in the current economic picture to suggest a sharp rise in price levels in the immediate future, increased public spending, the probability of more deficit financing by the Federal Government and continuing pressures for wage increases beyond the improvement in productivity still exist as inflationary forces. We, in the life insurance industry, recognize our responsibility in this realm and we intend to participate actively on all levels and in all phases of the anti-inflation fight.

#### WILLIAM O'NEIL

#### President, The General Tire & Rubber Company

Accelerated by a tremendous final fiscal quarter in 1958, the rubber industry outlook for 1959 like most of the other major industries in the nation, is very promising. Few quarters in the history of our company compare

with the final three months of 1958, and we project vigorous business for

all our divisions in the year ahead. The future of the rubber business appears especially expansive. replacement tire demand in 1958 hit the expected record total. There are indications that this rising demand will continue in 1959 and for years to come. If the automotive industry rebounds as expected, our industry faces the biggest production demand it has ever known.

Total production figure for the industry has been set at 111 million units in 1959. This figure could well be on the conservative side.

To best illustrate General Tire's plans to meet the growing demands, the company's board of directors recently authorized the construction in 1959 of a third tire-building plant. Site of the new factory, a multi-million dollar investment, will be announced in the immediate future.

Many factors point to a rising tire demand. Vehicle travel on the nation's highways is increasing daily. The nation's 100-billion dollar highway program is now moving along encouragingly, and this road-building progress will reflect in greater demand for tires.

Few people realize it, but American motorists today are paying less for tire mileage than they did 25 years ago. What other commodity costs less? The quality of

product is a tribute of our ceaseless search for better

materials, better engineering and better workmanship. Encouraging as is General Tire's outlook in its tire and rubber business, we foresee an equally promising future for the company's sizable investments in such other basic industries as the missile field, chemicals, plastics, wrought iron and steel, and the entertainment field through radio and television field through radio and television.

General Tire's Aerojet-General division is expected to serve an increasingly more vital role as the United States scientific and defense organizations step up their research and development explorations into outer space.

For years a major factor in most of the nation's principal rocket, satellite and rocket-propulsion programs, Aerojet-General today is also a leader in such challenging fields as nucleonics, nuclear energy, infra-red guidance marine- and architectural-engineering.

Our scientific developments in the missile field have been amazing, but the accomplishments of the future will be even greater. Aerojet-General unquestionably will be an important contributor with its scientific "knowhow" in all outer space explorations.

Our confidence in this scientific and defense phase of business is forcefully demonstrated by the millions of company funds we have poured into it.

Both General Tire's Chemical and Plastics Divisions forecast rising demands in 1959. Again our research has created new products in many new fields and for many new end uses that bring about an encouraging outlook. This is particularly true in our plastics operations. The automotive, aircraft and furniture businesses will make greater use of plastics in 1959.

Through its RKO Teleradio division, General Tire also

expects to experience its most profitable year in the entertainment business. Having divested itself of its interests in unprofitable film-making, this division now has an encouraging future, as both radio and television help provide the entertainment needs of our peope who will be enjoying more and more leisure time in the

Through its investment in the A. M. Byers Company of Pittsburgh, General Tire has an important stake in the wrought iron and steel business. In a year when most of the bigger companies in this industry were operating under capacity, the Byers Company made substantial gains in 1958. With the industry's outlook for 1959 considerably brighter, Byers is anticipating an increasing demand—particularly in wrought iron, of which it is the world's largest producer.

In summary, our overall outlook is bright. All facets of the nation's economy have turned upward, and there is every reason to predict gains for all of our basic industries. For the companies that have planned well, the year 1959 will be a good one.

> FRANK PACE, JR. President, General Dynamics Corporation

General Dynamics operates in a broad field of defense and commercial manufacturing, and I am happy to say that prospects for the coming year in all our enterprises seem excellent. The use of one of our standard Atlas

intercontinental ballistic missiles as a vehicle for the project SCORE satellite not only proves again the value of the Atlas as a reliable weapon, but also demonstrates its versatility in the scientific field. Other missile and space projects under study or development also give promise for the future.

In the submarine field, the spectacular voyage of the USS Nautilus from the Pacific to the Atlantic under the North Pole likewise opened vast new fields of knowledge under the sea. During the coming year we expect to make important strides in wedding the ballistic missile with

the submarine through construction work on the nation's first Fleet Ballistic Missile submarines, the George Washington and the Patrick Henry.

In the near future the world's fastest commercial jet aircraft, the Convair 880 will make its initial flight. It is my opinion that this aircraft will be the dominant aircraft of the decade of the 'sixties, providing not only the top speed in the jet field, but also an economy of operation which will permit the aircraft industry to increase its already superb performance in serving the

Other aircraft programs in production or pre-production stages include the B-58 bomber, the world's fastest multi-engine aircraft; the F-106 Delta Dart, supersonic all-weather interceptor; the CL-28 submarine hunter; the CL-44 and Canadair 540 turboprop passenger-transport airliners; the CL-41 jet trainer

Our work in the nuclear field is also proceeding on a broad front. During 1958 the Triga reactor conceived and constructed by the General Atomic Division was part of the United States Government's exhibit at the Second International Conference on the Peaceful Uses of Atomic Energy in Switzerland. Inherently safe and ideally suited for training, research and isotope production, this reactor is finding broad acceptance in the international market. The General Atomic-Electric Boat program for development of a Maritime Gas Cooled Reactor for the United States Government has entered an experimental phase. Work on an advanced graphite gas cooled reactor for the High Temperature Reactor Development Associates, a group of more than 50 leading utility firms, is proceeding rapidly. We are also continuing investigation of controlled thermonuclear reactions and the use of nuclear detonations as a means of propulsion.

We also foresee interesting and profitable develop-ments for Dynamics in our electronic, compressed gas and electric motor operations. Our electronics activities show tremendous growth potential in a rapidly expanding field. Our activities in the commercial field of independent telephone are on the increase and in the fields of liquid oxygen and liquid nitrogen as well as carbon dioxide, we will expand with an expanding economy.

#### HARLAND E. PAIGE

President, First National Bank of Akron, Ohio

The Akron area enjoyed a comparatively good total result in 1958. Nineteen-fifty-nine should be an even better year. Replacement tire sales will probably be larger and machine shops and other diversied activities of the area should expand, and, in fact, have already turned the corner in most instances.

I expect that this central lakes area is moving into an expansion period that will outstrip any previous indus-trial activity record. With railroad, trucking, and water routes available, more and more industry is bound to maintain production in the radius of 120 miles. Akron is ready for this expected growth with expanding water availability and more express roads with close proximity to the Ohio Turnpike and the proposed North-South expressway. This is a great growth area.

#### W. A. PARISH

President, Houston Lighting & Power Company

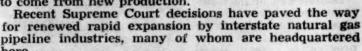
Houston and the Texas Gulf Coast area will be one of the bright spots of the continuing national economic recovery during 1959.

Economic indices show that this area has just about overcome the recession which started

here in the fall of 1957 and continued through nearly three-quarters of

One of the biggest factors in the recession here was the slump in the oil business which spread quickly to allied machinery and primary metals industries.

Abnormally high inventories of crude oil and refined products, with which the industry started 1958, have been lowered substantially. Demand for petroleum and its products is expected to rise 4 to 5 per cent over the nation in 1959. Since stocks have been reduced, this demand will have to come from new production.



W. A. Parish

Metropolitan Houston's 54 banks passed the \$2 billion deposit mark late in 1958, indicating that the Houston consumer is well fixed financially to fuel the economic recovery of the area.

Construction contracts awarded in Houston and Harris County alone during 1958 passed the \$400 million mark— an all-time high. Some slackening of residential building may be experienced due to temporary unavailability of loan funds, but construction is expected to continue at a high level during 1959.

County and State highway and freeway construction in this area reached a new high last year, and 1959 will bring even more road building expenditures.

Both railroad and Port of Houston tonnage increased during 1958, and it is felt that 1959 will see an acceleration of this trend.

Where there is general improvement in the basic industries, retail sales usually follow suit.

Local utilities let contracts for a high level of construction work during 1958, reflecting their faith in this area's sound economic bases.

Houston Lighting & Power Company alone will spend between \$65 and \$70 million during 1959—more than any other local business-in its program of doubling its generating capacity in a three-year period. All classes of our customers increased their usage of electricity, but residential per-customer consumption during 1958 showed an all-time record increase for the year.

A great deal of money for our company's generation, transmission, and distribution expansion programs has been spent throughout the recent business readjustment. There are two main reasons for this.

First, we were and still are confident that the many and diversified economic bases for this area's spectacular growth were still present, and that Texas-style expansion of business activity would soon resume.

Second, electric power cannot be manufactured and stored in anticipation of demand. Since it takes approximately four years from the time an order is placed to the completion of an electrical generator, we could not wait until the needs for increased electric service developed before ordering reserve capacity.

Nothing we have seen makes us regret our decision to

There will be no slowdown here of the business upswing due to a shortage of electric power



#### CHARLES P. PARTRIDGE

President and Chairman of the Board, Central Valley National Bank, Oakland, Calif.

During 1959, I feel that banks will channel more and more effort toward bringing banking to the people, making them aware of the many services banking provides, and encouraging them to use all the facilities and conveniences offered by banks. Many

thousands are just reaching maturity, striking out for themselves, and discovering the important role that banks play in everyday living.

We are on the crest of a population wave such as the world has never have a New marriages are bringing.

known. New marriages are bringing into being new households, new families, new wants. Homes are being bought, modernized, enlarged and furnished. One-car families are becoming two-car families. Power lawnmovers are no longer the rarity they were a few years back.

All of these advances have been made possible by the extension of credit-from the engagement ring right on down to buying a bicycle for junior. Instalment

buying is here to stay. Credit is commodity. Monthly payments resulting from instalment buying have given the family a close association with the com-

mon household convenience known as the checkbook, writing considerably more checks than their parents did. The average family also has a savings account, and the bank encourages this practice of thrift.

But checking and savings accounts are just two of the many services offered by the bank. Banks must continue their program of educating the public to make use of the many other services available. This will take the form of a combined advertising, merchandising and word-of-mouth program-a consistent effort that will gain momentum as it progresses.

A start in this direction is the design and construction of bank buildings that appear less formidable and more friendly. The continued practice of improved public relations within the bank will also be encouraged during 1959. A friendly smile on the part of bank personnel has invited more queries, opened more accounts, and helped arrange more loans than most people realize.

Active participation in community projects and undertakings by banks during the year, will help communicate a spirit of friendship and cooperation, that nurtures confidence and trust.

Solicitation of personal and commercial loans will be continued with emphasis. Certainly there is no stigma attached to wanting to borrow money from a bank. Going into debt for a good reason is often indicative of a progressive personality—a man with ideas, a man with foresight—a typical American business man. Many of the nation's most successful businesses owe their origin and growth to borrowing money when it was necessary for the progress of the enterprise. Adequate financing is the lifeblood of ingenuity. It is the medium for bringing new ideas to fruition.

During 1959, I see for banking the development of the faculty of meeting the human equation on an even keel. This calls for the expert sifting of plans, dreams and wants-coping with sentiments and emotions, and in spite of all, arriving at decisions based on sound thinking.

This is banking with a "down-to-earth" flavor. This is bringing banking to the people—not only by establishing more banking offices in more communities—but also by considering two basics: the basic of banking, and the basic of people.

#### MOREHEAD PATTERSON Chairman of the Board,

American Machine & Foundry Company There are a number of factors that should be work-1959 to make it an outstand Our bowling business, including the rental of AMF Automatic Pinspotters and the sale of bowling equip-

ment, such as Underlane Ball Returns, bowling lanes, balls and shoes, will continue to grow and be one of the most profitable parts of our business. We installed 10,000 Pinspotters in 1958 which will produce rentals for a full year in 1959 in addition to the more than 30,000 Pinspotters we

Although the construction of new bowling centers has been slowing down a little from its tremendous post-war pace, it has not reached the saturation point. There are still many areas of the country where we hope to promote tenpin bowling. We are also planning to enter foreign mar-

already had out on lease at the be-ginning of 1958.

kets with Automatic Pinspitters. Another favorable factor that should increase our profits this year is our defense business, spearheaded by a \$29,300,000 contract to design and develop the nation's first underground launching system, for the TITAN intercontinental ballistic missile. We have also reoriented our defense products goals and eliminated marginal operations and others

that did not conform with our new objectives. Thus, we anticipate that profits will replace losses in this field

The industrial and general products part of our business showed improvement during the latter half of 1958. We expect this trend will continue into 1959.

In atomic energy AMF continues to be the world's leading designer and manufacturer of nuclear research reactors. In 1959 we expect to complete the construc-tion of reactor projects in New Jersey, Florida, Canada, Japan, Italy, Greece, Portugal, Israel and Austria.

In the tobacco field we are making continued progress with our Microflake Cigar Binder and Microflake Cigar-ette Filler process, which is a way of combining minute particles to tobacco and a special adhesive in strip form.

The end product helps cigar and cigarette manufacturers improve quality and at the same time cut costs. We have built Microflake plants for several leading cigar and cigarette manufacturers in the U.S. We anticipate further growth of this program particularly overseas.

For the baking industry AMF has developed the AMFLOW process for the continuous fermentation and mixing of bread dough. This process, in contrast to the baking industry's traditional "batch" method can produce from 4,000 to 6,000 one-pound pieces of bread dough an hour. We expect to find a ready market for this process in large commercial bakeries throughout the country in 1959.

With all of these prospects on the horizon, and with continued general economic improvement in the country, we look for 1959 to be the best year for earnings in the history of our company.

#### HOWARD P. PARSHALL

President, Bank of the Commonwealth, Detroit, Mich.

Another year can now be recorded in our history. Economically, while it has been a year of recession in the United States, we in this country have been operating at a very high level. Part of the decline in busi-

ness activity which we experienced the latter part of 1957 and 1958 was due, in a large measure, to the fact that production has finally caught up with demand. We all remember when automobiles were short, when tires were short, when electrical appliances, housing; in fact nearly everything that people needed was in short supply, due to the aftermath of World War II and to a lesser extent the Korean War. Now, there is scarcely anything in short supply, so, naturally, in the very nature of things business activity was due for a slowdown.

We, in the Detroit area, have been particularly hard hit. Comparing the

first 10 months of 1958 with like period a year ago, we showed declines in this area in almost all lines of activity, including construction contracts, new dwelling units,

car and truck output, power consumption, production car and truck output, power consumption, production of steel and department store sales. These losses range from 9% to 35%. One of the greater losses, of course, was in automobile sales and production. Bank debits were down 13%. Weekly factory pay and hourly factory pay, in our area, showed a slight increase over the preceeding year. This seems odd when you consider the fact that many people were out of work. It is, in the writer's opinion, just another indication of the inflationary trend. ary trend.

Starting about mid year 1958 in the nation generally, our economy started to show gains in many categories and this has continued. Two or three months ago, our newspapers, magazines commentators and economist were all stating that the upturn had come and were very, very optimistic for the future. This enthusiasm has been somewhat dampened by events. True, we are on the upgrade; but not at as rapid a pace as some of our vocalists seem to predict.

I have some figures before me published in the Dec. 15, 1958 issue of the Detroit Board of Commerce publication, "The Detroiter," in which they forecast that passenger car output in the United States will increase approximately 27% in 1959 over 1958, that residential building will increase 18%, that unemployment will decrease considerably. They predict an increase of over 5% for department store sales in 1959; in fact, increases from 8% to 27% are predicted for almost all major lines of endeavor in our area, with an over all increase for our Detroit area, 1959 over 1958, of approximately 10%. In our bank, we have witnessed a slight upturn in activity.

We, of course, have many troubled spots nationwide; and they seem to be interwoven-inflation, taxes, labor force and as above mentioned, the rise of wages in a depression year. We try to do something about these troubled spots, but we do not go to the heart of the matter. For instance, inflation would not be difficult to control if instead of using our debt and interest rates to control it we got to the heart of the matter, reduced expenditures and paid off a portion each year of our national debt. Taxes need a thorough revision. They are too high and can be reduced, in fact they must be reduced if we are to survive. The idea of progressive taxation on incomes must be abandoned. Our national government and our state government must be govornments for all of the people, and not for any particular segment of the people. We are witnessing the highest court of the land taking over executive duties by making decisions and interpretations of the law based on expediency rather than on justice and the law. We are seeing directives issued by our many bureaus having the power of law.

Nineteen-fifty-nine should prove to be a better year than 1958; but in order to justify our form of government in the future, we must remedy-or at least promptly take steps that will remedy many of the now existing injustices in our economy.

If I were to suggest a remedy for our ills, I think is can all be summed up in one word. Of course, we must think of that word in its broadest meaning and application as being applicable to all persons and all things, and that one word is INTEGRITY.

Continued on page 94



H. P. Parshall

#### AMERICAN NATURAL GAS COMPANY A NEW JERSEY CORPORATION

MICHIGAN CONSOLIDATED GAS COMPANY . MILWAUKEE GAS LIGHT COMPANY MICHIGAN WISCONSIN PIPE LINE COMPANY . AMERICAN LOUISIANA PIPE LINE COMPANY

AMERICAN NATURAL GAS PRODUCTION COMPANY



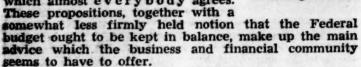
AN INTEGRATED NATURAL GAS TRANSMISSION AND DISTRIBUTION SYSTEM WITH MORE THAN HALF A CENTURY OF SUCCESSFUL OPERATION—SERVING MORE THAN A MILLION CUSTOMERS—CONTINUING ITS EXPANSION PROGRAM

#### HON. WRIGHT PATMAN U. S. Congressman from Texas

Some of the business journals are predicting that the new Congress will be "anti-business." Clearly it is the Democrats, not the Republicans, who will insist upon a full business recovery and a return to full employment,

yet I think that in a certain sense the prediction may come true. Let us take the matter of where the Congress may turn for advice and midance on the big economic quesions of the day.

For several years now leaders in he business and financial community neve been persuading themselves, and persuading the country, that only "monetary controls" are the proper instruments for guiding the level of business activity in the country. And almost equally, these leaders have campaigned for checking inflation — an objective with which almost every body agrees.



Yet by now it is clear to almost everybody that tightening money or raising interest rates succeeds in checking inflation, if at all, only when these brakes are applied so hard that the country is kept in a state of high unemployment and low production. Indeed, this method of checking inflation is presumed by its sponsors to succeed because a state of wholesale unemployment will operate as a psychological club against management's raising prices and labor's demanding wage in-

How then can reasonable men square such an eco-nomic policy with Khrushchev's "challenge" to race with us in increasing production, advancing scientific knowledge and improving living standards? This is no challenge which we can accept or reject, but a race which we were already running and from which we cannot retire; we can only win or be beaten. And the facts are that Russia's economy has been growing between 7% and 10% a year, and the Soviet's new seven-year plan calls for an average growth of 8% a year. In contrast growth has averaged less than 2% a year during the Eisenhower Administration.

Another point: while the country's business and financial leaders have insisted that Federal economic management rely almost exclusively on money and credit controls, they have been fully content that the money and credit controls in use are at least 40 years out of date, as is the legislative basis for these controls. Indeed, they have been opposed even to a congressional inspection and review of this machinery. The overdue investi-gation of the money and credit system must now be made, even though the country's business leaders-men who are reputed to be quick to adopt for their own businesses electronic quality controls and the most advanced instruments for inventory and other controls-continue to insist that instruments 40 years obsolete are good enough for the Federal establishment.

The recent recession has dramatized the point that inflation can result from either of two causes: it can result from increases in the supply of money and credit outrunning the supply of available goods and services. This generally means, though, that demand will be pressing upon productive capacity; and deficit government spending is not itself inflationary, except that it increases demand at such times. The second cause of inflation is by all odds the more serious in the recent and present settings. This is the arbitrary power of bigbusiness industries to raise prices—to meet wage demands, present or expected, or for any other reason. Each of several hundred corporate managements has the power to devaluate the dollar, by their routine price decisions, and frequently exercise this power. At the moment the officials operating the country controls" seem to be probing for that level of unemployment which will serve as a satisfactory psychological club against such price increases; but it is apparent that the level of unemployment which will produce the necessary psychology at one time may not produce it at another. Indeed, we witnessed price increases being made last summer-when unemployment had risen to alarming levels-and being made by industries operating

at no more than half capacity. The central problem of government today, as I view it, is to find a widely acceptable method by which high levels of production and employment and a rapid rate of economic growth can be maintained and at the same time maintain price stability. There is no longer a choice whether we shall have just one or the other. The new Congress must, it seems to me, design measures to deal directly with inflation, as well as measures to make very substantial improvements in the system of money

and credit controls. So it is in this sense that the new Congress will probably be "anti-business": it must look for economic intelligence and advice elsewhere from that offered by the central thinking of the financial and business community today. Or alternatively, the financial and business community must come forward with more constructive policies and suggestions. Personally, I hope the latter will be the case, but as yet there is little evidence to feed this hope.

#### T. S. PETERSEN

#### President, Standard Oil Company of California

The U.S. oil industry outlook for 1959 is a promising one, with an increase of nearly 5% anticipated in domestic petroleum consumption over 1958, and a gain of double that rate in Free Foreign World oil requirements.

Although the domestic industry's sales and operations are expected to be consistent with the continued increase in U. S. economic activity, there are real problems with which the oil business is and will probably continue to be confronted during 1959. For example, while supporting wholeheartedly the nation's longawaited program of highway expansion, the U.S. petroleum industry views with grave concern the pros-pect of additional Federal gasoline taxes which have been proposed as a means of meeting an anticipated deficit in financing the program. The American motorist is already

burdened with a total vehicle fuel tax which accounts for more than a third of the average price he pays for gasoline. An increase in the Federal gasoline tax could retard normal growth in highway tax revenues by discouraging the use of cars and trucks—a result which would tend to do the proposed highway program more harm than good. Federal gasoline taxes already are paying for more than 80% of the Federal

cost of the highway program. Another problem, restricted to the West Coast area, is the burdensome surplus of fuel oils created by the abnormally warm winter weather of 1957-58, the economic recession of the same period, an oversupply of natural gas, reduced military requirements and an abundant supply of hydroelectric energy. There are indications, however, that a substantial part of this fuel oil surplus may be dissipated by shipping to markets outside the West

Domestic oil production in the coming year will be strengthened substantially, in contrast to the 1958 level, and any volume losses experienced should be recovered in 1959. Domestic consumption will rise about 430,000 barrels a day over 1958 to a total of approximately 9,390,000 barrels daily. Except for the fuel oil situation in the Far West, inventories generally will be in much

60% of all U.S. chemicals. There is an excess in installed capacity at present, and the competition in the basic petrochemical field during 1959 will be extremely keen.



#### President, General Electric Company

As is well known, the activities of the General Electric Company fall broadly into three major customer groupings. First, there are the customers for apparatus and industrial types of product, ranging from steam turbines

to watt hour meters. Second, there are the customers for consumer types of products, ranging from refrigerators to lamps; and finally, there are cusomers for the electronic, atomic and defense activities. ranging from tiny transistors to complete radar systems. For all of our activities other than defense, we watch with very great interest the behavior of some rather simple indices which we have been following for a number of decades. The first of these is the number of kw hours consumed in the average home. For many decades this indicator has been doubling about every

decade. The present average of 3,400 kw hours per home is expected to equal or exceed 6,800 kw hours by 1968.

R. Paxton

Another closely watched index is that of kw hour consumption per production worker in manufacturing. This too, has been increasing at about the same rate as kw hour consumption in the home, and by 1968, it is expected that the present average of 23,500 will increase to 42,000, or more.

Adding in the accepted forecast for increases in population and the somewhat higher increase forecast in the rate of formation of new families, we have a rather good indication of the median line of growth for the electrical manufacturing industries civilian products during the next decade.

A look at the international situation suggests that there is little reason to believe that we shall not continue for some years at least to maintain if not accelerate the development of defense weapons, and unhappily we appear driven to the conclusion that these activities will be more apt to increase than decrease in the foreseeable period ahead. The problem of forecasting the median line of growth is one which can be approached with some considerable precision, since it is a process which our company has been following for many years. It goes without saying, however, that over the forecast periods, the actual levels of business will fall at times above and below the median line as a result of the operation of exceedingly complex cyclic

The estimation of particular position for the year ahead actually becomes a matter of estimating among other things the political-economic climate which will prevail during the next 12 months. Since in modern imes our economic activity has been greatly influenced by international events, such forecasting demands more knowledge of the development of future international events than any of us possesses.

In the electrical manufacturing businesses, weather itself plays a major role. With the advent of modern air conditioning equipment, the volume of sales is fro-mendously influenced by the character of the weather and in turn the disappearance of reserve electrical generating capacity in times of very hot, humid weather is frequently a very real spur to the placement of orders for heavy electrical equipment. Unhappily, here too, despite the Farmer's Almanac, long-range we ther forecasting is hardly a precise science.

All in all, however, it would seem that 1959 for the electrical manufacturers will be about the same king of year as 1958. There would appear to be a somey lower level of activity in the heavy apparatus fields, but a somewhat greater activity in the area of consumer products. No decrease in the levels of defense spending appear to be indicated as far as the electrical manufacturers are concerned.

Our power companies would do well to remember that customarily it takes between two and three years to design, manufacture, and install modern large steam turbines, and somewhat shorter periods of time for the manufacture of today's very large power transformers

or high voltage switchgear.
Since turbines ordered in 1959 will not be producing kw hours on utility systems until 1962 or later, it is already apparent that many utilities once again are going to delay too long the ordering of units for capacity increases, with the result that adverse weather factors in 1962 may subject utility companies to some public criticism as power shortages could readily develop;



#### President, Gladding, McBean & Co.

In attempting a personal prediction of the business outlook for 1959 it is with the sincere hope that an honorable peace may be maintained among nations throughout the world. Any interruption thereof would

reduce the best intentioned analysis to a compilation of words.

The slow but steady reversal to trends established during the first half of 1958 are expected to continue during 1959, but the rate of increase will not be as dramatic as that experienced in 1955-1956. The levels of activity reached prior to the 1957-1958 recession may not be achieved prior to mid-1959.

It is becoming apparent that construction, both commercial and residential, will maintain the level reached in 1958 and may exceed it. In my opinion there will be some improvement in the rate of expenditure for capital improvements as in-

dustry again experiences a favorable trend in volume, but such improvement will not be significant. The basic reason for the latter observation is the tendency towards lower corporate profit in relation to sales volume.

In general, the year 1959 appears to be one slow but consistent improvement without the dramatic changes experienced in prior years. It may well be the year of preparation for the expanded economy predicted in the years 1960-1970.

#### H. H. PLANK

#### President, Delaware Power & Light Company

We know now that 1958 will be another record year for Delaware Power & Light Company with highest revenue and earnings in its history. Construction expenditures of approximately \$20 million will have been

made by year-end. A second 85,-000 kw. generating unit has been placed in operation at the Indian River Station in lower Delaware. The 138,000 volt transmission system was extended to connect the Indian River (Del.) and Vienna (Md.) stations with the Wilmington area generating capacity thus increasing the company's ability to meet emergencies and operate its generating capacity at maximum efficiency. The gas supply system was reinforced through a second delivery point from the pipeline company.

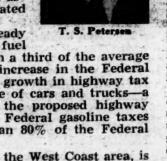
The company is in position to take on substantial increases in sales during the next two or three years

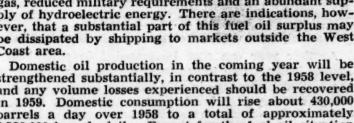
with less than normal capital expenditures. The expected capital expenditures during each of the rext two to three years are approximately \$12 million, mest, if not all of which, will be generated within the company making further public financing unnecessary.

During 1958 the company redeemed \$15 million of 5% bonds and issued \$25 million of 378% bonds, thus retiring high interest rate bonds and providing \$10 million of additional capital for the construction program.

Delaware is now reported to be the fourth fastest growing state in the nation and general business activity in the area reflects that growth. The upswing in business has been apparent for several months and the

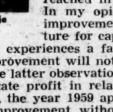






better balance than in 1958. In the field of petrochemicals, the outlook is one of continued growth. With petroleum and natural gas serving as the raw materials for almost 3,000 chemicals, it's estimated that more new uses for petrochemicals are being discovered at the rate of 300 to 400 per year. In terms of sales value, petrochemicals now represent about







company is looking forward with optimism to a continuation of this upswing in general business which promises to make 1959 another record year.

#### FREDERIC A. POTTS

#### President, The Philadelphia National Bank, Pa.

At the present time the opinion generally held is that business during 1959 will continue upward, the only question being how rapid the advance will be. With the index of Industrial Production at 141 against an all-time

high of 147, reached in December of 1956 and a low of 126 in April, 1958. it is clear that the upswing already has been significant. This improvement has been accompanied by a number of broad changes in the securities markets. In the case of interest rates, the peak was reached in the Fall of 1957 and the low early in 1958. Since that time yields have advanced rapidly with long-term Treasury obligations and high-grade corporates up to the 1957 highs. Bill rates and the prime bank rate have likewise rebounded although still below the peaks reached during 1957. In the stock market prices have reached new all-time highs. For com-



modities the rise has been modest but the upward pressure continues. The estimated Federal Government deficit of \$12 billion for the fiscal year ending June 30, 1959 represents a peacetime record. Since February of 1958 the banking system has absorbed an outflow of gold totaling \$2.2 billion. At the member banks, the net posi-tive reserve position has recently averaged \$44 million which compares with \$703 million in July and a negative figure of over \$700 million in July of 1957.

Those elements in our economy responsible for these developments during 1958 are still with us. Business is forecasted to expand and it is likely that there will be continuing demands on the banking system for funds which could result in an increase in loans and a liquidation of securities with further pressure on prices. Costs in many industries will be higher although mechanization and new equipment will moderate such advances. Preliminary estimates for the 1960 Federal budget indicate a balanced position but this has yet to be converted into an actual accomplishment. The demand for capital will not be limited to the United States and many countries will be looking to America for funds to finance new plants or to assist in the balancing of foreign trade positions. Strong pressures from nationalist groups which are seeking rapid improvements in their own standards of living seem likely to persist.

During 1959 the governmental and fiscal bodies of the United States will be walking a sort of tight rope en-deavoring to keep the inflationary forces under control and at the same time satisfy militant demands for more of the good things of life not only here but in many areas of the world. The problem of inflation has not been solved when it is temporarily obscured by the downward pressures of the recent business decline. Investors will be constantly evaluating the possibilities of a further reduction in the value of the dollar with the attractiveness of yields on fixed income securities. The recovery of business shold continue at an orderly pace, but these investor choices will have an important influence on the ease or stringency existing in the capital and credit markets. There should be a continuing demand for funds with bank earnings somewhat higher than during 1958.

#### LLOYD M. POWELL

#### President, Dietaphone Corporation

Prospects are bright for a healthy jump in dictating machine sales during 1959, most estimates placing the increase in the neighborhood of 13% over 1958 figures. There are many indications that businessmen are be-

coming more conscious of the value of their time. A recent survey showed that the average business executive writes 300,000 words a year, compared to 150,000 words turned out by the average professional writer. It is facts like these which dramatically point up the value of better, more efficient busicommunications which, after all, is the essence of what Dictaphone and other dictating machine manufacturers are offering.

Our sales in 1959 should increase at least as much as the 13% rise

inventories at this time.



predicted for the industry as a whole. Hopes for improvement over that average are based on the successful introduction of the new Dictaphone Time-Master dictating machine during 1958 and the improved state of

Our customers and prospects are looking with zest to the challenge of the new year's business conditions. They want to increase their product vity and, more than at any time in the past decade, they demand value. There is a general feeling among businessmen that discouragement is on the wane and that excess fat has been taken off over the past year. They feel they've hardened their business muscles and are in good condition to meet their problems and move forward. The basic idea of better business communications has been established and it has been proved that business can

make no better investment than to provide an individual whose time is costly with better means to work.

To meet the anticipated demand for new and better ways to increase efficiency in a value-conscious economy, Dictaphone put great stress on new product development and new services in 1958. Its new all-transistorized Time-Master dictating machine was kicked off in the spring. Although the corporation's sales were down somewhat this year, unit sales for the new Time-Master have increased monthly since its introduction. The Time-Master's recording medium is the exclusive Dictabelt record, which provides permanent, non-erasable recording, visible tone grooves for quick place-finding, and clear reproduction—at an extremely low

The bright spot in the firm's 1958 business has been the Dictaphone Dictet protable voice recorder, which had a 46% dollar volume increase in the first 10 months of 1958 over the similar 1957 period. With business travel at an all-time high, we look for another steep sales rise in 1959 for the tiny two-and-a-half pound, eleven ounce battery powered recorder.

The Dictet has shown its ready adaptability to the needs of modern business on two important occasions during 1958. It was the first portable recorder ever to be offered for passenger use on a domestic airline when Capital Airlines included it among special services on V. I. P. flights. Late last year, American Express announced that Dictet service was being offered to holders of American Express credit cards: card holders could pick up a Dictet at any of Dictaphone's 200 offices in the United States and Canada, use it and leave it at another office—all on a "charge it" basis.

In 1958, we also contributed to new advances in the recording machine industry. Recently we introduced our AIMO machine, a completely new method of audio instructed manufacturing operations. AIMO, which was developed jointly with Westinghouse Electric Corporation, programs a manufacturing work operation on tape, enabling the worker to dispense with cumbersome printed instructions and graphs, and work as he listens. Increases in productivity of more than 60% were reported in original testing of this equipment.

Another new product of the Dictaphone recording machine division is the Dictaphone Dictachron timeannouncing unit. This, when used in combination with Dictaphone Telecord network dictation by phone sysstems, brings great savings to factory time-keeping operations by making them more automatis.

Other Dictaphone recording machine developments include: the Dictaphone Dictatape five-channel recording machine and the Dictaphone Dictalog magnetic belt machine, used for monitoring air traffic control and for communications on super highways, such as the New York State Thruway.

The area of educational training is a promising one for new Dictaphone products. Experimentation is now proceeding with prototype models, using both tape and the Dictabelt record, and special machines are also being tested for interview recording.

The projected increase in business has led Dictaphone to expand and modernize its plant facilities. Late in 1958 a new plant was opened in Concord, N. H., for the manufacture of Dictabelt records. Millions of Dictabelts will be processed at this site for shipment to Dictaphone offices throughout the world.

#### GWILYM A. PRICE

Chairman of the Board, Westinghouse Electric Corporation

A steady improvement in billings and new orders is in prospect for Westinghouse during 1959, but sales billed will probably fall short of the 1957 record. With the prospects of a good but not a record-breaking year



Gwilym A. Price

good but not a record-oreasing dustry, the pattern of increa sales and orders will not be uniform across the wide variety of industry product lines. In addition, rapidly increasing costs will require the in-dustry to look beyond rising volume to relieve the tightening squeeze on

The electrical industry traditionally grows at a faster rate than industry generally, yet its profit mar-gins have been declining in recent years. Reversing this trend and matching profits with growth remains the industry's most challenging problem in the new year. This forecast of improved sales and

orders anticipates increasing personal consumption expenditures. Optimism is based, too, on the accumulation of business inventories which will be under way during the first six months of 1959.

However, a slow improvement in capital expenditures by industry precludes the very volatile growth which marked recovery periods in previous postwar recessions.

Westinghouse expects sales of appliances and other consumer products, defense products and light industrial equipment to provide strong support for the anticipated increase in billings.

In the electric utility field, the shipment of heavy apparatus for generation of electricity will be lower than in 1958. However, this drop will be offset to an extent by an increase in billings of distribution equipment. New orders from electric utilities for heavy generating apparatus and from industry for large electrical equipment are expected to show marked improvement over the low points reached in 1958.

Orders for defense products are expected to continue to rise particularly in the first half, with the possibility

of a leveling out later in the year.

In the atomic power field, Westinghouse anticipates continued growth, with billings this year expected to exceed the previous 12-month period for the fourth consecutive year. Atomic backlogs at year-end are expected to be approximately 30% higher than in 1957, most of which represent equipment for the nuclear

World-wide attention was focused on the first two Westinghouse-powered atomic submarines, the U. S. S. Nautilus and U. S. S. Skate, last summer when they made their historic North Pole voyages. From a defense viewpoint, the national importance of these two exploits cannot be overemphasized. Four other nuclear-powered submarines, each with a Westinghouse-built atomic engine, now are at sea. They are the Swordfish, Sargo, Skipjack and Seadragon.

In addition, the company now is working on devel-

Continued on page 96

## OKLAHOMA GAS AND ELECTRIC COMPANY

. . . continued steady progress in 1958, throughout its 30,000 square mile service area, the hub of the great Southwest.

	1958	1953	% Increase
Revenues	\$54,350,000	\$34,908,000	56%
Net Income	\$11,165,000	\$ 5,997,000	86%
Earn. per share Common	\$1.45	\$0.95	53%
Kwh Sales (000)	2,797,000	1,825,000	53%
Generating Capacity—Kw	908,000	438,000	107%
System Demand—Kw	713,100	408,400	75%

Write for our 1958 Annual Report for statistical data and information relating to our broad service area.

#### OKLAHOMA GAS AND ELECTRIC COMPANY

321 North Harvey, Oklahoma City 1, Oklahoma DONALD S. KENNEDY, President

oping, designing and building reactor plants for 20 more submarines, the first atomic-powered cruiser, and the first atomic-powered aircraft carrier. One of the two land-based prototype reactors for a surface ship was placed into service at the Naval Reactors Facility, Idaho Falls, Idaho, in October. The company's work on these projects is being carried on under the direction of and in technical cooperation with the Naval Reactors Branch, AEC. There were many other noteworthy accomplishments during the year in widely diversified company operations. Some of the most significant were:

Production of materials for missile nose cones capable of withstanding intense pressures and temperatures encountered in re-entering the earth's atmosphere.

Delivery of the world's most powerful transformer-a 380,000 kilovolt-ampere unit for Commonwealth Edison Company of Chicago.

Completion of the installation of 16 waterwheel generators at Chief Joseph Dam, in the state of Washington, with a combined rating of 1,024,000 kilowatts.

A major advancement in the field of thermoelectricity the direct conversion of heat into electricity. Scientists of the Westinghouse Research Laboratories discovered last year several new compounds in a previously unexplored class of thermoelectric materials. Capable of producing electricity simply, silently and without moving parts of any kind, the new materials are the first solid-state thermoelectric substances capable of operating at temperatures in the range of 2,000 to 3,000 degrees Fahrenheit.

#### FRANK O. PRIOR

#### Chairman, Standard Oil Company (Indiana)

To judge the future with any accuracy, we must first get a clear picture of the immediate past. Domestic demand for oil in the United States in 1958 will probably increase about 1.5% over 1957 levels. This is a reflection

of the general recession. Because of the industry's slow reaction to realities, supply did not decline as quickly as demand did. In consequence, product prices plunged. There were also widespread though relatively small cuts in the price of crude.

The net result is that the domestic petroleum industry for 1958 will fall uncomfortably below the profit levels it reached in 1957.

With that much foreword behind us, let's look at what we at Standard Oil expect for the oil industry in the first six months of 1959.

We think that the general industrial recession hit its low point early in the second quarter of 1958.

Recovery to date has been faster than most people expected it to be.

Frank O. Prior

The rate of increase, however, has been steadying down. We expect that this trend will continue through the first six months of 1959, barring instability in interna-

tional affairs. Thus we think that industrial production in the nation for the first half of 1959 will average about 10% above

that recorded for the first half of 1958. We think that the 1959 first-half total Gross National Product, expressed in constant dollars, will be about 5%

above the total for the first six months of 1958. We think that the domestic demand for petroleum in the first half of '59 will rise by about the same percentage as the GNP—again about 5%.

This projection assumes that the weather will be normal

We expect first-half 1959 production of crude and natural gas liquids to average about 8 million barrels a day as against a first-half 1958 figure of 7,245,000 barrels a day, or an increase of about 11%. This assumes that a voluntary oil import program will be made to work.

I must underline the fact that 1958 first-half domestic output was abnormally low, compared with the same period for the previous two years. In barrels per day, the figures are 7,965,000 for 1956, and 8,310,000 for 1957. compared with 7,245,000 for 1958.

Current inventories of crude are reasonably low, so in the first half of next year more supply will come from

current production. As a result the general level of crude prices should

hold firm. Inventories of the major products, on the other hand,

are not in so healthy a condition.

Product stocks are somewhat on the high side and should be drawn down, although there will probably be not more than seasonal drawdowns in the first half of

In summary, then, the outlook for the petroleum industry over the first half of 1959 is for encouraging but not spectacular advance.

Domestic demand will rise about 5% above 1958 levels for the same period.

Domestic production will increase by about 11%. Prices for crude will hold about steady.

Overall product prices will show little change except for the possibility of slight increases in heating oils and

slight decreases in gasoline. The political atmosphere for our industry will be poor. For the first two quarters of the year the petroleum Industry should be somewhat more healthy and, there-

fore, more profitable than it was in 1958. As of the moment, it seems likely this trend will

continue throughout 1959.

#### WILLIAM J. QUINN

## President, Chicago, Milwaukee, St. Paul and Pacific Railroad Company

The year just ended was a fairly good one for The Milwaukee Road, considering the depth and length of the recession now gradually on the way out. Its net income exceeded that of 1957, even though total oper-

ating revenues were off about \$10 million. This was made possible by searching out and putting into effect operating economies and by a strict control over expenditures.

With the declining phase of the recession behind us and a gradual pick-up under way, we look for-ward to the year 1959 with confidence that our revenues will be greater, and despite increased payroll costs already known to be in the picture and others which we may anticipate such as in retirement and unemployment benefits for employees, that earnings for the stockholders will also show an improvement. The traffic of The Milwaukee

Road is fairly well diversified and its volume follows along with the general business activity of the country, except that when grain and other agricultural products move in considerable volume, The Milwaukee Road's revenues will show greater increases than other territories of the country. This was true throughout the year

William J. Quinn

A good movement of grain and other agricultural products and of livestock seems apparent in 1959. Crop production through our territory should continue at a high level barring unforeseen, widespread moisture shortages or other adverse growing conditions. Material increases in production of small grains is expected with the release of crop land previously in the acreage re-serve of the Soil Bank program. Corn acreage will probably be increased as the result of the farmers voting to abolish corn acreage allotments in the Nov. 25 referendum. Government stocks of wheat, corn and other gains, most of which are at a record high, are available for movement in large quantities. Availability of terminal storage space will be a controlling factor.

Indications point to an increase in cattle and hog numbers and, if prices remain favorable to the feeders of livestock, there should be a good movement from our range states to the Corn Belt area. Increasing population should always carry along with it increased demands for products of agriculture and of animals, which makes the long-range outlook appear favorable.

The Milwaukee Road's improvement budget for 1959 totals about \$27,700,000, and includes 600 fifty-ton box cars, 100 seventy-ton insulated DF box cars and 50 seventy-ton flat cars, as well as the replacement of 52 diesel-electric freight locomotives of 1,350 horse-power each with 52 diesel-electric road switching locomotives of 1,750 horse-power. In March, 1958, while business activity was still declining, our company placed orders for 1,150 freight cars which cost \$11,700,000, which were in addition to equipment purchases in the regular improvement budget for 1958, amounting to \$6,800,000. This may be taken as evidence of our faith in the future of The Milwaukee Road and in the future of the economy of our Nation.

#### HENRY H. RAND

#### President, International Shoe Company

Virtually everyone is now agreed that 1959 will be a year of economic growth, although there is quite a bit of disagreement as to the rate of growth

When we endeavor to break these variable concepts down to the specific market seg-

dustry the margin for error increases. However we are now far enough away from World War II to note some historical patterns both during recessionary periods and in the following upturns as to consumer buying behavior. For those who sell in the consumer goods field these be-

ment represented by a particular in-

havior patterns are important. As compared with the swings in other segments of the economy total spending by the consumer in good years and bad has been remarkably consistent. Consumer confidence and consumer spending have been a major factor in recovery from every

postwar recession. Since the close of the war consumer durables have been taking an increasing share of the consumer dollar as the purchase of homes, automobiles, refrigerators, etc., have increased among the buying public. Since the percent of the dollar spent for services has also been going up, the trend has reduced the percent being spent

for consumer non-durable goods. There has been one very important exception to this broad trend which has tended to stabilize expenditures for consumer non-durable goods. During periods of recession or uncertainty the consumer has tended to curtail purchases of big ticket items most of which are in the durables field. But they have gone right on spending for foods, soft goods and other non-durables

This is illustrated by the fact that through 1956 and 1957 the percent of non-durable sales to Gross National Product was rather steady, ranging between 31% and 31½%. It rose a bit in the fourth quarter of 1957 and

then jumped to 32.8% in the first quarter of 1958 and to 33% in the second quarter.

Thus at the retail level the soft goods industry has a built in stabilizer. As gross product drops, we tend to get an increasing share of the total.

Unfortunately there is a poor understanding of these trends on the part of many retailers who naturally react to unfavorable total economic news and curtail their buying. This creates a temporary recession at the

manufacturing level as inventories are curtailed. This is what happened in the shoe business in 1958 with the retailer enjoying a good year while the manu-facturer was faced with a dearth of orders until the closing months of the year.

As the economy improves the consumer will no doubt again start to spend an increasing share of his income for durable goods and the soft goods industries will get

a bit lower percent.
Nineteen-fifty-nine should result in sound growth in the retail sales of shoes, but since sales had remained good in 1958 the rate of increase will probably be modest. The shoe manufacturing industry should enjoy a record year in 1959, but the percent of gain will not approach that of durable goods manufacturers who are recovering from recession levels.

#### EVERETT D. REESE

#### Chairman of the Board, The Park National Bank of Newark, Ohio

Almost everyone is entering the year 1959 with a feeling of hope that this will be a year of progress along many lines. We have just ended a year that began with a good deal of doubt and fortunately ended on quite

a good note. In many lines the progress made was not as great as had been hoped for but the trend is up in most lines of business.

It is highly desirable that our progress will be sound and not brought about by the false optimism of inflation. A recession such as we have been in brings about highly competitive conditions and these do not end after the up-trend starts as there is still excess productive capacity in many lines and with the desire to use the facilities price competition becomes very keen and narrows the profit margins. This last recession has increased the efficiency of productive facilities and

has brought out great resourcefulness in management. It is to be expected that these will carry over into the period of greater prosperity. As soon as present facilities are used to a greater extent because of increased volume or better capital facilities are developed, the rate of capital investment is quite likely to increase.

Everett D. Reese

In the banking field we are subject, of course, to the money policies of the Federal Government and must be flexible just as business must be flexible. We must continue to serve the credit needs of people and busi-nesses of all kinds during periods of tight money as well as during periods of easy money.

There is no greater constructive force in our economy

than progressive bankers. I feel that real progress has been made in developing competent bankers throughout the country and that our banks are able and willing and anxious to serve the financial needs of the people. Change is the order of this world and I believe our

bankers will continue to meet changing conditions and serve well.

#### R. S. REYNOLDS, JR. President, Reynolds Metals Company

For the aluminum industry, the new year will bring a further expansion of primary capacity and more intensive marketing efforts than ever before to accelerate broad, mass-volume uses. We look for increased sales

Verame in 1959. The industry in 1959 will have a number of advantages on its side in its bid for increasing aluminum's share of existing markets and opening new markets for

The price of aluminum is lower than at any time since August, 1956, despite the fact that most competing materials have increased in cost since then.

For the first time, six primary producers will be in operation throughout the year. This means broader competition than ever before — and competition always has been the harbinger of more dynamic growth for the aluminum industry

An abundant supply will assure customers of availability of metal for virtually any need. As a result of research and development over several

years, especially in fabricating techniques, aluminum is gaining as a heavy-duty structural metal. In 1958, for example, three major aluminum bridge projects were pioneered in this country. And there were important new developments in the applications of aluminum for ships, tanks, vessels, residential housing, electrical substations, railroad equipment and other big tonnage uses. This marks the beginning of a vital new phase in the growth of our industry, which until recent years con-centrated mostly on broadening applications in the lighter gauge ranges.

Largest increases in aluminum usage in 1959 are anticipated in the construction and transportation fields. In 1958, builders participating in our company's new



Henry H. Rand





R. S. Reynolds, Jr.

"House of Ease" program sold, in a few test-market areas, more than 100 homes utilizing an average of 2,500 pounds of aluminum each. This was the first large-scale exploitation of aluminum's advantages in new home construction. A broadening of our "House of Ease" program in 1959, together with the revolutionary line of aluminum houses which National Homes will market through 600 builder-dealers, will result in significant increases in aluminum tonnage going into home building during the year.

Automotive application of aluminum will grow again in 1959 too. The average 1958 car had 52 pounds of aluminum. We expect this to increase to 58 pounds per car in 1959, a year in which new car sales are expected to exceed those of 1958 by more than a million units.

Aluminum also is expected to make sizable gains in highway and military applications, ship construction, electrical uses, and new equipment for the chemical and petroleum industries.

The use of aluminum foil in packaging has doubled in volume in the last five years. And aluminum will take on a number of new packaging forms in 1959. Development of aluminum cans, too, is making considerable progress, with a promising early potential in aerosol cans. Household foil, which has done so much to familiarize consumers with aluminum's versatile advantages, remains among the fastest growing items in the grocery line, and institutional uses of foil are on the increase.

During 1958 aluminum shipments to consumers totaled 1.8 million tons, a decline of 8% from the 1.925 million total of 1957. This was due to the general business downturn in the first half of the year, particularly in the hard goods sector. Aluminum, however, began its recovery much earlier than the general economy. And it has continued to advance, confirming our past experi-ence that in periods of rising business activity, aluminum increases at a faster pace than the general economy.

#### W. THOMAS RICE

#### President, Atlantic Coast Line Railroad

The economic and industrial development in the Southeast was slowed considerably during the year 1958 due to the general economic conditions of the nation. During the latter weeks of 1958 we saw certain improve-

ments, and, based on the information that we have been able to gather, the year 1959 should see a very definite improvement insofar as transportation requirements are concerned throughout the southeastern states.

The railroads have made an impression upon the American public through their activities during the past year to acquaint the average American with the importance of the railroads to our way of life. The average American is more cognizant today of the problems and unfair regulations that control the destiny of the railroads. The Transportation Act of 1958 was a real beginning toward the alleviation of some of these

burdensome regulations. Much remains to be done. We feel that the climate for further improvement is good. We feel that the American people have a sympathetic understanding and are ready and willing to help in promoting the welfare of the railroads of our country.

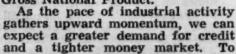
We believe that the general business conditions in the nation will improve during the year 1959 as compared with 1958. We further believe that any improvement in our national economy will be reflected quickly in the Southeast, not only because it has become so popular for heavy industry but also because of the numerous recreational facilities. Through efficent transportation service, courteously rendered and popularly priced, the railroads can participate in this economic prosperity. We of the Atlantic Coast Line Railroad expect to share in this prosperity and look forward to 1959 with assurance and

#### HAROLD E. RIDER

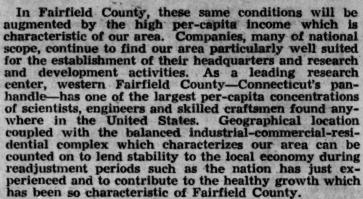
#### President, The Fairfield County Trust Co., Stamford, Conn.

During the past year, our nation's economy met the challenges thrown at it in such a manner as to demonstrate again its adaptability to changing conditions and its inherent quality of resilience. The readjustment that

the economy passed through during 1958 left us with a very sound base from which we can move upward during the next several years. All major segments of the Gross Na-tional Product should show some improvement throughout 1959. Inventory liquidation, a negative factor last year, will give way to accumulation; increased government spending and a marked increase in consumer spending will be the basic contributors to any record level of Gross National Product.



some extent this may be mitigated by the high level of corporate liquidity resulting from accounting transactions for depreciation, etc., and income tax accruals. The demand for funds, however, will reverse the recent build up in government security holdings and result in increasing bank loan portfolios. All of this augurs well for the banking industry as a whole.



The components of the nation's economy should be watched carefully for any indication that the recovery might be interrupted. The housing market which lent such strength to the recent recovery could weaken in the event the demand for funds becomes strong enough to divert money away from the F.H.A., and V.A. mortgage market. Recent devaluation measures taken by foreign governments could exert further pressure in narrowing the export gap. Both of these components, though worthy of note, do not seriously threaten economic recovery during 1959.

Although personal income was a strong feature during the recent recession, the individual consumer cut back sharply on his purchases of durables during 1958. There is good reason to believe that in 1959 we will witness an increase in the purchase of consumer durables. Lending support to this belief is the fact that the consumer paid off his installment debt on balance during 1958 but will probably reverse this trend in 1959.

As previously mentioned, businesses will stimulate the economy through a reversal of their inventory policies. But while their expenditures for plant and equipment should show an increase, excess productive capacity in most industries will limit this increase to moderate pro-

The picture as we see it then for the nation as a whole is one of continued recovery but at a rate more moderate than that which we witnessed in the last eightmonths of 1958. 1959 should show improvement in some of the areas which were adversely affected in 1958-e.g., reduced spending by consumers for durable goods, lower business spending for plant and equipment and inventory liquidation—but several of the problems of 1958 will remain with us in the new year. Unemployment which grew to a postwar high as a percentage of the labor force is expected to be higher than normal for at least the first six-months of the year. However, it would seem reasonable to expect much greater utilization of the available labor force toward the end of 1959 as industrial activity continues to increase. Finally, but of great importance, the nation will continue to be faced with the problem of inflation. During 1959 prices should not be subject to great upward pressure, this because of excessive productive capacity and abnormal unemployment. However, as the stage is set for the dynamic activity we expect in the 1960s, we must be continually on guard against excesses in the economy. Excesses which could result in inflationary forces that would erode away the advantages of increased productivity and higher living standards.

During last year's recession, the nation's banking system proved sound and flexible. I'm sure that in 1959 it

will demonstrate once again its ability to meet the demands of a dynamic economy — an economy found only in our United States. Bank earnings in 1958, for the country as a whole, will probably show very little change from the results of 1957. In 1959 interest rates may edge up, but the pressure of higher operating costs will not diminish. Generally speaking, though, I believe bankers can approach this year with confidence.

Last year, in Fairfield County, strong growth characteristics helped keep money in good demand. The result was another good year for our bank. And these characteristics are still present. 1959 could result in a record year from the standpoint of growth of deposits, loans and earnings. We view the future optimistically.

#### R. G. RINCLIFFE

#### President, Philadelphia Electric Company

Despite the business recession, the nation's investor-owned, business-managed utility companies continued to make substantial additions and improvements to their facilities last year. In contrast with curtailed capital ex-

pansion by most industries, the electric utilities added approximately 14 million kilowatts of new generating capacity to their power lines, which represented the largest annual increase ever made.

This continued expansion emphasizes the long-range planning called for in the utility industry to meet the ever-widening demands of a dynamic economy. Notwithstanding intermittent lulls or spurts in generalized eral business activity, new capacity must be installed well in advance of growing needs.

In the atomic power field, Philadelphia Electric is presently the sponsor of an offer submitted to the R. G. Rincliffe

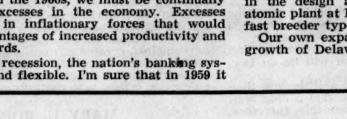
Atomic Energy Commission by a group of more than 50 investor-owned utility companies to build a high-temperature, gas-cooled nuclear power plant on the P. E. system. The proposed plant will be located at Peach Bottom, Pennsylvania, on the west side of the Susque-hanna River about 10 miles upstream from the Conowingo Dam. Known as the High Temperature Reactor Development Associates, Inc., the non-profit organization is the largest and most widely representative group of U.S. utility companies to support a single nuclear power project thus far.

The \$24.5-million plant to be built by this group will be owned and operated by Philadelphia Electric and will have a capacity of 40,000 kilowatts. When completed in late 1962 or early 1963, it will serve as an effective developmental prototype for a full-scale plant, which is expected to produce electricity competitive in cost with generating stations in many areas of the country using conventional fuels. The project promises to provide a short-cut to cheaper electric power.

The company also continues to take a prominent part in the design and construction of the Enrico Fermi atomic plant at Lagoona Beach, Mich. This plant, of the fast breeder type, is scheduled for operation in 1960.

Our own expansion program is geared to the future growth of Delaware Valley. Expenditures during 1958

Continued on page 98



## Electric Use Spurs Progress IN THE PACIFIC NORTHWEST



Kilowatt hour use by the average residential customer of the Washington Water Power Company has reached an annual

figure of 8449 — about three times the national average. This outstanding growth continues, and the company still eyes its goal of 10,000 kwh by 1963, plus advancement in both commercial and industrial areas.

Aggressive promotion will continue through 1959. Power supply and overall business climate throughout the area are more favorable today.

Broad new horizons of business and regional progress lie ahead in the Pacific Northwest and in the area served by

THE WASHINGTON WATER POWER COMPANY

for new generation and distribution facilities reached an all-time high of \$120 million, or over \$21/4 million a week. Outlays during 1959 will continue at about the same rate. Expenditures planned for the ensuing five-year period, 1959-1963, are expected to total \$467 million. An important addition to P.E.'s generating capacity

was made last summer when a new 185,000-kilowatt turbine-generator was placed in operation in our Schuylkill station, which more than doubled the capacity of that plant.

The first 325,000-kilowatt generating unit at our new Eddystone electric generating station, now nearing completion on the Delaware River near Chester, is scheduled for operation late this year. A second unit of like capacity will be added in 1960. Eddystone represents a significant forward step in efficient power production and will substantially boost P.E.'s generating capacity. Construction of extensive transmission lines and substations to distribute this added power is progressing rapidly.

The company's gas service continues to expand with significant increases in the use of gas for house-heating and industrial purposes. Long-term contracts for a firm supply of natural gas and steadily expanding production and distribution facilities assure P.E. gas customers that present and future needs will be fully met.

The Edison steam heating plant, placed in operation early last year at 908 Sansom Street, Philadelphia, added materially to the Company's steam heating supply for center-city office buildings, stores, and hotels.

Philadelphia Electric's progress is closely knit to the growth and prosperity of Greater Philadelphia. It has confidence in the economic stability of this area and is proud to serve the industrial, commercial, and residential needs of its people.

#### W. GORDON ROBERTSON President, Bangor and Aroostook Railroad Co.

Like other corporations, the Bangor and Aroostook makes extensive use of projections in an endeavor to determine where we may reasonably expect to find ourselves from year to year.

However, as a railroad heavily dependent upon agriculture for both loadings and the extent of use of our large refrigerator car fleet, we have long since learned that our projections are always subject to wide and unforeseeable swings.

This was never more true than in the year just past. A continued reduction in paper tonnage had been anticipated. However, we could not anticipate an adverse potato market which cut our spring potato loadings well below expectations nor could we foresee that our fall loadings would be lightest since the hurricane year of 1954. Finally, we had no reason to think that refrigerator

car earnings would lag substantially behind previous years. In short, our relatively high hopes of early 1958 failed to materialize and by a rather wide margin.

The foregoing is in explanation of our more than

usual reluctance to forecast where we will be on Dec.

Although Maine's potato yield was a little less than a year ago, other growing areas harvested a crop well above that of 1957. It would seem reasonable, therefore, to expect a continued softness in the potato market and a consequent total tonnage below comparable months of last year.

However, it should be kept in mind that this is no more than an experienced guess and it could be as wrong, albeit in reverse, as our guess of a year ago.

On the other hand, there is evidence that our paper and pulpwood loadings may exceed those of last year.

Paper shipments turned up last fall and if this trend continues, pulpwood tonnage will, of course, also increase.

well aware that this is a most inconclusive forecast of the year ahead. However, the imponderables are such as to make it impossible to be otherwise.

#### KINSEY M. ROBINSON

President, The Washington Water Power Company Pacific Northwest utilities are frequently asked if use of electric service will continue its upward trend. People also ask about our situation regarding power supply, and especially they want to know what can be expected at

this time by way of power politics in the Northwest. Personally, I can visualize only continued progress in our use of electric energy. Northwest utilities already claim a strong lead regarding kilowatt hour consumption in some categories. For example, residential averages rise nearly three times the national kilowatt hour consumption level; and while the saturation of certain household appliances such as the electric range, refrigerator and water heater is well up in the 90% class, there still re-mains thriving potential load growth through other established use well as through commercial and in-

dustrial applications. Despite our 8,449 kwh average residential use at the end of 1958, the Washington Water Power holds to its goal of a 10,000 kwh consumption by 1963. It is estimated that some 75% of the population in

the Northwest may yet buy electric dryers; some 90% are prospects for some kind of electric heat, or gas heat; and some 98% may some day enjoy year-around air conditioning.

Electricity as an increasingly capable household servant is here to stay. We are quite sure that tomorrow's growing crop of homemakers will continue to name more and more electric energy as an absolute requisite to modern living.

As to power supply, we believe with considerable op-timism after years of uncertainty and doubt that the Pacific Northwest is approaching a period of ample elec-tric energy. Non-federal agencies have under construction, just completed, or definitely licensed, a total of 4.6 million kilowatts. This includes 16 power projects by eight northwest investor-owned utilities, with \$320,-000,000 spent in 1957, and in excess of \$325,000,000 budgeted in 1958. The assertion has been made that post-war power development by private utilities has been the largest of its kind ever undertaken at any one time in any single area in the history of America. Federal projects, on the other hand, have in course of construction or have recently completed some 2.6 million kilowatts of new power.

In spite of this great block of energy, however, and the fact that natural gas has recently come to the Pacific Northwest to augment energy needs (the Washington Water Power now combines the distribution of natural gas and electric service), it is suspected by several analysts that the area will again feel the pinch for power by 1962. One thing is certain. All of us must work diligently if we are to keep ahead of tremendous consumer demands. An increase of at least 17,200,000 new kilowatts, or 91%, is anticipated by the year 1966. Atomic energy is given careful consideration as a future answer to our problem. Study teams and practical construction proposals have already been publicized. We hope for the

The third question dealing with power politics seems certainly less critical than in years gone by. Some northwest Congressional representatives frankly state that power is no longer a political issue. This may well be true. Even in the 1956 elections, only 5% of the voters in Oregon said that electric power influenced their voting decisions, while in Washington State, only 2% of the voters named electric power as an issue.

Still, in the face of harmonious operation of the Northwest Power Pool (one of the world's largest), despite the fact that in support of the Administrtaion's partnership program private utilities have underwritten all or part of the cost of several P.U.D. power projects, a few advocates of public power perpetually tend to ignore the cold facts of life and are again crying for more federal participation in power development. tempt to block every effort of private capital to build new projects; and now again, after previous rejection by the voters of similar proposals, we in the Northwest are faced with another public power crusade to establish a vast federal corporation to control drainage area of the Columbia River.

Surely public power not only in the Pacific Northwest, but throughout the nation, poses a serious threat to efficient, economical and harmonious power develop-ment in our American business system. While we in the Northwest may be considered most quickly affected by the attack from socialized power, and while we have, nevertheless, created a friendly business climate in areas served by private utilities, it will over the years take a helping hand from all segments of business if our free enterprise system is to continue prosperous and secure.

#### MARY G. ROEBLING President and Chairman of the Board, Trenton Trust Company, Trenton, N. J.

There are so many things that can affect any forecast regarding the future of the banking business for 1959, that one could only open a discussion on the subject by prefacing his views with the words, "barring

the unpredictable action of the Communists or their fellow-travelers, business in the banking field in this area should be excellent in the year ahead. The Delaware Valley, in which the Trenton Trust Company operates is largely industrial, reflecting at all times the changes in industries, but profiting from a population whose income for the most part has been reasonably steady. Its people are industrious and frugal, but spend freely for the good things

It is affected by the stabilizing effect of the giants in the steel and wire business, both of which operate huge plants in the immediate locale.

Trenton's rubber and ceramics industries are leaders in their field and have a world market. The diversification of industrial output is a reasonable assurance against an unemployment problem of any size. These industries will advance slowly but surely in 1959.

The banks in the area are manned by seasoned bankers, who are keeping step with the changes that are taking place in an orderly manner that gives to their stockholders the confidence that their banks will be able to pay dividends and increase the equity of their shares during 1959.

No great advance in banking is predicted for 1959, but interest rates are expected to remain favorable. Securities will perhaps remain unchanged except as to the variables that are constantly present in the mercurial period we are passing through.

We expect to increase our deposits and depositors by

an aggressive campaign to capture our share of the savings of the people of Trenton during 1959.

To my knowledge there is nothing to interfere in 1959 with an orderly modest increase in our business and that of our neighboring financial institutions.

Nothing but the apathy of individuals can deter the growth of the Delaware Valley area which in recent years has been phenomenal. This region appears destined to be maintained as one of the nation's full-fledged industrial and financial centers.

#### JAMES A. ROEMER Chairman of the Board. Sharon Steel Corporation

The year 1958 was a severe test for Sharon Steel Corporation. I believe the records will show that when all of the factors are carefully weighed and evaluated Sharon did a commendable job. A year ago we would have doubted that Sharon had the

ability to operate at 40% of its total ingot capacity and break even. Yet, broadly speaking, that is just about what was done in 1958. Final audited figures may be slightly on the minus or plus side of an exact break-even figure.

During the past year we termi-nated our lease with the Navy for the Griswold Plant that was operated by Brainard Steel Division. In so doing, we eliminated a number of unprofit-Brainard products. Brainard is now concentrating on its steel strapping business, and has adjusted its organization and facilities to become a more important factor in this seg-

ment of the steel industry. The Dearborn Division in Detroit has done an outstanding job in servicing custom-ers in the Detroit area, especially so far as stainless steel is concerned.

The new electric furnace at Sharon permitted us the efficiency of a one-plant operation during most of 1958. Let us now look to 1959. The complexities of modern business and the great number and variety of factors, all of which have their impact, make any forecasting difficult. However, taking the information that is available to us, we look for considerable improvement in 1959.

Estimates for 1959 auto production range from 5.2 to 6.8 million passenger cars. If production is in the area of the high figure then it is conceivable that Sharon's ingot production may increase by some 40% to 50% over that of 1958. However, we are budgeting for 1959 on the basis of a 25% increase. Furthermore, when both steel output picks up and

auto sales are good, more railroad and truck traffic appears. Paint, furniture, textiles, ore, scrap, machinery, refractories, and consumer goods—all pick up when these two industries get on their feet.

We have a number of projects which are being studied, some of which have been engineered, and we hope that we shall be able to act on some of these during 1959. All of this will be in the direction of reducing Sharon's costs

and broadening its product line.

A factor which will have a definite influence on our plans for 1959 is the expiration on June 30 of our present three-year labor agreement. It is particularly timely that we re-examine with the Union the impact on our operations and on the economy of wage demands that exceed the cost reductions resulting from improved productivity. We must, I believe, pass on part of the benefits of improved productivity to customers and

As to Mallory - Sharon Metals Corporation (owned equally by Sharon Steel Corporation, P. R. Mallory and Company, Inc., and National Distillers and Chemical Corporation), it will have a substantial loss for 1958. This in no way lessens our faith in the future of titanium, zirconium, hafnium, columbium, tantalum, tungsten, molybdenum, and the other special metals that are required for the "Space Age." The forecast is that Mallory-Sharon will show a profit for 1959. If the profit for 1959 should equal or be more than the loss for 1958 then I would say that Mallory-Sharon can look forward with confidence to the potentially profitable '60s.

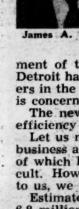


There is every evidence that 1959 will be another exciting year in the automobile business. A fundamental change in the market has taken place that will be felt even more sharply than in 1958, when it received its greatest impetus.

The total U.S. automobile market should be up importantly in 1959, but, since 1958 demonstrated so forcibly that consumers need and want smart, functional and more modern transportation, the greatest growth by far will be in the small and compact car areas. In our judgment, the market for small and compact cars should be 1,000,000 vehicles or more in 1959, as compared to approximately 600,000 in 1958.

Total sales of U. S .- built and imported passenger cars should be more than 6,000,000 barring three things: (1) crippling strikes, particu-

larly in the plants of key suppliers such as steel or rubber; (2) excessive monetary and credit control as a substitute for needed action on the fundamental causes of the wage-price spiral, or (3) adverse international developments. AT THE THE SECOND







The third great revolution in product concept in the history of the automobile industry—the marked trend away from longer, wider, more powerful cars—really began to be generally evident in 1958. Not only did this result in continuing record sales of foreign-built small ears, but also a widely expanded market for compact cars.

The first great revolution in the industry was when Henry Ford, Sr. built cars for the masses, with the famous Model T. So great was this change that in 1924-Ford captured more than 62% of the total market—a feat unequaled before or since.

The second revolution came when General Motors in particular began to put competitive emphasis on size and luxury. The standards of many American families had risen sufficiently to permit the purchase of cars with more room, more style, more features and more power. This concept helped build for GM a pre-eminent position and gave them 50% or more of the total market.

The third revolution developed when the maximum in car size and horsepower was reached, not only by GM, but by its major competitors. At the same time that their cars reflected excessive emphasis on size and power, important changes in car use were taking place throughout America. With the rapid growth of suburbs, increased traffic congestion and intensification of the parking problem, more and more people began to demand cars for personal mobility. And with more members of the family needing cars of their own, functionalism began to take on more importance.

In each of these three revolutions, an understanding of consumer needs was the dominant force. A surge of buyer response resulted when vehicles were developed that met the basic new need.

This revolutionary trend will continue in successive years beyond 1959 until by some time before the end of the 1960s, more than half of all cars sold in this country will be small or compact. I believe the greatest growth will be in the compact car area, with small cars getting a lesser share of the total business.

There are many reasons for these very pronounced trends in the American automobile market. I believe the most important reason is that car buyers are coming to realize that they get more basic value in a modern compact car. They are finding that added length, width, weight and horsepower not only do not meet the changing patterns of car use, but they also intensify personal problems of high maintenance, reduced trade-in, parking, garaging, and handling. On the other hand, a compact car provides the interior dimensions and comfort of the big car, with no excess exterior bulk. The avoidance of excess bulk and use of more modern aircraft engineering principles, results in less weight, superior strength, lower operating and maintenance costs and greater facility of handling and parking.

As for American Motors itself, we expect sales of the compact Rambler and of the small Metropolitan to account for about 6% of the total passenger car business, and about 36% of the small and compact market, during the calendar year.

## LEWIS S. ROSENSTIEL Chairman of the Board and President, Schenley Industries, Inc.

The year 1959 ought to be a year of opportunity for the entire industry provided industry policy-makers show a determination to make a reasonable profit on every sale.



Lewis S. Rosenstie

Profit opportunities for retailers, distributors and distillers are now possible because of the lifting of an artificial pressure upon the market—the tax-force-out from storage of eight-year old whiskey. But the industry must take advantage of the situation through the application of sales policies rooted in business statesmanship.

The industry has at last entered into a period where relative stability can come about, a period which holds out hope for improved credit opportunities, higher values for inventories in storage and an end of chaotic marketing conditions.

Such hopes, however, will never be realized unless there is a real deep feeling and determination in the industry that free competition is the life of business and cartelized competition "drives nails in the coffin of capitalism."

There must be room for everybody—or else there will be room for nobody. Executives in high positions in this industry must learn to stop, look and learn, and bear in mind that every decision made at their desks affects somebody's job, the welfare of some family and ultimately the welfare of our country.

1959 will see bourbon whiskey further regaining its position as America's traditional alcoholic beverage. The trend back to bourbon began many years ago and is continuing. Straight bourbon whiskey is more costly to produce than blended whiskies and must be sold at a higher price. This cost factor creates a market for blended whiskies. Neither bourbons nor blends are yet at a fair livable profit level for the industry. There is no doubt in my mind that the industry can get a fair

livable profit and still have prices which are acceptable to the consumer.

Price wars in several of the states are certainly not started by any true American distiller. What is behind these price wars is a question members of the U. S. industry ought to ask themselves. They will come up with the answer.

Bourbon is again the great American drink, the rising bourbon market being due to the marketing of fine bourbon, milder, lighter and of less alcoholic strength. The point is best illustrated by the great sales success of 86 proof counterparts of long established 100 proof bonds. If the current trend in consumer taste preferences continues, the day is not far off when 80 proof bourbons will be in greatest demand. Scotch and cognacs are sold at 80 proof (U. S.) in Great Britain, Canada and an increasing number of markets of the world, including our own

It is hoped that in 1959 the various states will take a look at their complicated liquor laws, regulations and interpretations, now 25 years old, and I predict that many of them will do so. Excise tax laws in most states put a tax penalty on efforts to promote temperance through use of lower proof whiskies. State taxes are taxes on water when they are measured on gallonage rather than on proof. In fact, some state taxes on 80 proof are the same as the tax on 100 proof and others charge the same tax on fifths as on quarts. Thus the distiller is left without any incentive to market lower proof whiskies and the consumer is given no incentive to buy them. Adoption by the states of the Federal method of taxation—measuring the tax on a proof gallon basis—would correct the situation and give impetus to the trend toward moderation, and would be favorable to the consumers' purse as well as to the industry.

I believe the industry should continue its efforts to induce the Treasury to put it into effect, a 30-day reporting system in place of the daily stamp system for the collection of Federal excise taxes. A 30-day reporting system would free for use by the industry an estimated \$250 million a year now tied-up in pre-payments of U. S. taxes and the changeover would not cost the government a cent of revenue. A reporting system might even increase Federal revenues. Distillers pay interest at commercial rates for funds with which to pre-pay the tax. This interest is a tax deductible item and the Treasury is therefore charged with 52% of the commercial interest rate. The Treasury can borrow money at a cheaper cost to itself.

As for tariffs on alcoholic beverages, I believe the U.S. industry will not ask for increases as long as foreign suppliers operate in harmony with the American philosophy of competition and distribution. We hope for intensified efforts in 1959 against the continuance of trade barriers which have closed many international markets to the products of the U.S. distilling industry. The industry would like to see more of a two-way street in international trade, with bourbon, which is part of the folklore and in the tradition of our country, being allowed to enter certain countries from which we buy so much. In world markets as well as in the U.S. market itself, the guiding principle should be equality of competition by any definition.

## DANIEL T. ROWE President, Kings Highway Savings Bank, Brooklyn, N. Y.

I am convinced it is reasonable to expect a continuation of the present business trend into the Spring of 1959. Few forecasters believe the upward trend will be sustained throughout the year.

I agree with those who reason that there will be a slowdown in the

second quarter.

Estimates of new car sales are too optimistic. There is no flood of new models on the road. There is passive resistance to the price of new cars. Many of those who purchased automobiles two and three years ago will be content to wait another year. This will affect the supplier industries.

Housing starts have picked up considerably, but sales will fall behind expectations and this will in turn force builders to cut back. Tight money operates to depress activity in this field because builders must load the sales price to cover

must load the sales price to cover anticipated heavy mortgage discounts which add to the cost of their financing. This would not hold true if the interest rates on insured and guaranteed mortgages were free to follow money rates, but so long as they are not flexible, the buyer is obliged to pay the overload.

The number of people still unemployed provides part of the answer to the foregoing. Companies having to cut down on help to survive the 1958 squeeze have not found it necessary to rehire as many people as formerly. They have been forced to come up with higher operating efficiency to keep afloat. We may not see the number of unemployed reduced to the former level till late in the year. All this has a restraining effect on those with jobs. They will think twice before purchasing houses or cars which require taking on obligations running for terms of years. They will instead pay off the outstanding balance of their loans; or bank their paychecks; or invest in stocks.

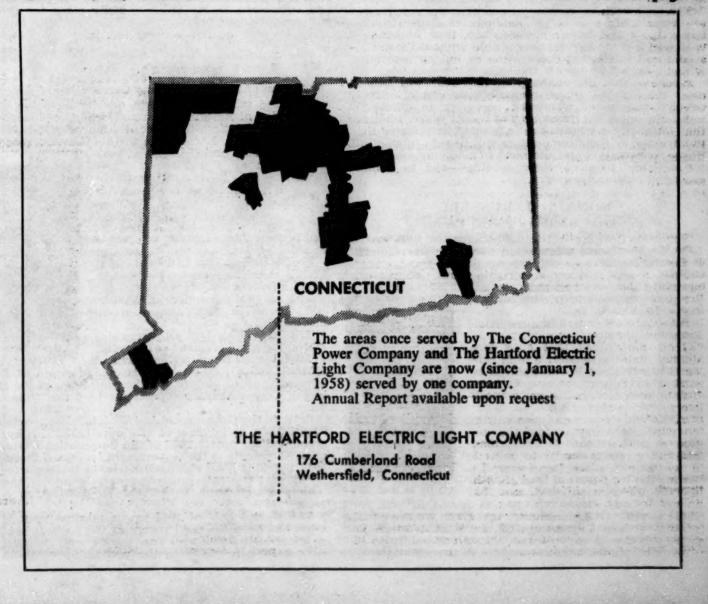
Total payrolls during 1959 may reach old peaks despite the unemployment situation. The average worker's weekly earnings are higher than they were a year ago.

As a result, savings in the banks should continue to increase during the year at the same rate or better than during 1958 and, as a measure of confidence is gradually restored, business generally may get into high gear by year-end.

I am confident that the inflationary tendencies that are ever present can be effectively held in check by the Federal Reserve authorities, provided Congress exercises reasonable spending restraint, since inventories are down, savings are still following an upward trend, and business and industry are operating on a more efficient basis than at this time last year.

Overall, 1959 should be a good year for the Savings Banks. There will be a more than ample supply of insured or guaranteed mortgages available for investment at reasonably good returns. The level of these returns should hold fairly constant in the months ahead.

Continued on page 100



Bonds are available at attractive yields that are conciderably higher than the average return of most in-stitutional portfolios. Consequently, the earnings statements of the banks should continue to improve.

#### ALLEN W. RUCKER

#### President, The Eddy-Rucker-Nickels Company

As it looks to me, the year 1958 was marked by four developments, all of which affect the outlook for 1959. First, the recovery from the recession of 1957-1958 occurred much earlier than most forecasters had fore-

eeen. Presently, the low point appears to have been reached in April, 1958. Measuring from that date, precedent suggests that the high point of this movement will not be reached before sometime in 1960, or early in 1961.

Second, the recovery since April, 1958 was marked by an absence of a resumption in inventory accumulation. This suggests that 1959 industrial output may receive an added

impetus from that quarter.
Third, 1958 was marked by the sustained outflow of gold and by the reduction of Treasury gold stocks and the coverage of the total of Federal Reserve Bank notes and

member bank deposits to new low levels. This suggests that 1959 or 1960 will see the issue joined between those here and abroad who want further to devalue the dollar, and those who do not. The ebb-and-flow of inflationary sentiment probably will follow the swing of this forthcoming battle.

Allen W. Rucker

Fourth, the continued failure in 1958 of productivity per man-hour in manufacturing to regain its long-term rate of improvement. The slow-down in productivity improvement began in mid-1955, and since then, unquestionably has adversely affected the long-term rise in the purchasing power of currently-earned incomes. Since December, 1956, the rate of gain in productivity has averaged about 2.0% per annum, or about one-third less than the long-term rate of 2.9% per annum in manufacturing industry. The effect is to slow down the improvement in the purchasing power of incomes and hence, to retard the rise in the physical volume of output and in the man-hours of employment necessary to pro-

The adverse effects are greatest in the durable goods industries, both consumer and producer durables. Reemployment of older employees and employment of newcomers to the labor force depends heavily upon an improvement in productivity per man-hour. This is because the private, competitive system tends to pass along virtually all labor-time savings to the customer in the form of prices that are falling relative to earned incomes. In other words, improved productivity makes savings in costs, and hence in prices, that enhances the buying power for current earnings. The faster buying power improves, the greater the demand for goods and services, and for additional employees needed to meet that demand.

Indications in late 1958 suggest that a steadily increasing number of manufacturing firms are seeking means to enlist the understanding and cooperation of employees in raising productivity. In my judgment and experience, better teamwork is the natural and essential supplement to better tools and better methods. Indispensable as better tools and better methods are, they nonetheless will not yield the harvest they should without the enthusiastic and intelligent cooperation of human associates, without better teamwork throughout the business.

I believe that the recovery of 1958-1959 will benefit most those firms whose managements can effectively develop the better teamwork necessary to efficiently use the new capital investment of recent years. I believe that those firms who can raise productivity faster than the average of their competitors will benefit most of all. Those firms will contribute most to new employment, to payrolls and to stockholder earnings—and to a more extended business recovery.

#### DONALD J. RUSSELL

#### President, Southern Pacific Company

Southern Pacific's traffic outlook for the first part of 1959, barring some unexpected economic development, is favorable.

Private and military construction and public works

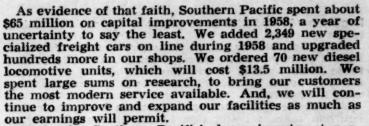
activities showed strength in the lat-ter part of 1958, with the result that our shipments of sand, rock, gravel, lumber and other building materials have been heavy.

It is anticipated that auto production will continue at a high rate, particularly since it was delayed by strikes in September and October. The outlook for steel in the immediate future is also good.

Although we certainly can make no predictions as to what the entire year 1959 holds in store, these and other trends appear to point to

a favorable first half. As for the long-term outlook, South-

ern Pacific remains confident that in spite of any short-term ups and downs, SP will continue to grow with the country it serves. We are certain of the continued expansion of the eight Western and Southwestern states we serve, and in our ability to improve and expand our services to keep pace.



Obviously, Southern Pacific's large investment programs in recent years have greatly increased the efficiency of our operation. As a result we were able to weather the economic slump in the first part of 1958 and will show improved earnings for the year. Net income for the first 11 months of 1958 totalled \$53,247,709 or \$5.89 per share of common stock, compared to \$50,-278,452 or \$5.56 per share for the similar period of 1957.

This increase was accomplished in spite of the fact that the number of carloads of freight we handled during the 11-month period was 7% less in 1958 than 1957.

Since our primary function undoubtedly is to serve our customers, we are doing everything we can to bring them the best and most efficient service available. However, we are limited in what we can do by law. We, and other surface carriers, are prohibited from engaging in air transport. The railroads are severely handicapped in engaging in truck transportation. It is our firm belief that we could better satisfy our customers and better fulfill our role as a transportation company if these restrictions were relaxed and we could provide a complete, diversified transportation system.

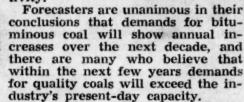
We are hopeful that public interest and insight into the railroad situation will continue as it has in recent months. If it does, laws that are fair to all forms of transportation will result.

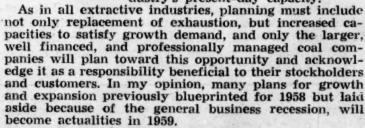
#### R. E. SALVATI

#### President, Island Creek Coal Company

In my opinion production and sales of bituminous coal in 1959 will show substantial improvement over 1958. Barring a prolonged steel strike, 1959 production should approximate 450 million tons as compared with 400 mil-

lion in 1958. Industry profits will exceed those of 1958, but will not reach the levels recorded in 1957. Competition will remain keen both withing the industry and with competitive fuels, and as a result the "career" coal companies will not only continue, but accelerate their efforts and investments in the interest of lower cost and increased productivity.





#### DAVID SARNOFF

#### Chairman of the Board, Radio Corporation of America

Increased sales in the fourth quarter gave the Radio Corporation of America an annual volume of business in 1958 approximating the record high of \$1,176,000,000 achieved in 1957. Earnings in the quarter also rose over

the comparable period last year. This increase in sales and earnings reflected not only the general improvement in the national economy but also RCA's higher rate of Government business, its introduction of important new products and services, and further intensification of operating efficiencies.

R. E. Salvati

Profits during 1958 will total about \$2.00 a share compared with \$2.55 in 1957. Dividends to stockholders declared for 1958 amounted to \$23,886,-000 (preferred \$3,153,000; common \$20,733,000)

The RCA Board of Directors declared the same dividend as last year: \$1.50 (25 cents a quarter regular and

50 cents extra). This action is an indication of RCA's improving profit picture and the confidence of the Board in the Corporation's prospects for 1959 and subsequent

Sales to the Government in 1958 totaled approximately \$300,000,000, an increase of 14% over 1957. This business accounted for nearly 26% of the Corporation's total volume. Shipments to the Government increased throughout 1958, reaching nearly \$100,000,000 in the final quarter. The backlog of Government orders at year-end is approximately \$300,000,000, an increase of \$50,000,000 during

The second half of 1958 saw a marked upturn from what had been the most severe of the postwar economic readjustments. The new year begins with definite indications of new peaks in the production of goods and

services, consumer income and spending, and construction outlays.

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The outlook for 1959 indicates a good year for business, and for a continuing growth of the American economy.

#### The Growing Importance of Electronics

During 1958—the first full year of the Space Ageelectronics played a key role in the successful launching, tracking, guidance and control of missiles and man-made moons, and this role boldly underscored its growing importance to the nation and to the world.

The changes it is bringing about, in virtually every aspect of our daily lives, are almost incalculable. Electronics has profoundly transformed our concepts of defense, communications, transportation, entertainment, business and industrial operations, and has had an important impact upon our living.

Increasingly, the electronics engineer has become the teammate of the physician, surgeon, biologist and chemist. Electronics is now an indispensable part of every other science. Through its ability to multiply enormously man's energy and knowledge, it has given us a wholly fresh outlook on what is possible for the future.

In bringing about these far-reaching changes, electronics itself has changed and expanded significantly. In the

past 12 years, it has grown at a rate more than six times that of the national economy as a whole. This exuberant upsurge has made electronics a \$14 billion a year industry.

As a pioneer in the science, technology and business of electronics, RCA has contributed importantly—and adjusted importantly—to the tumultuous changes that have taken place.

RCA's contributions were dramatically symbolized during 1958 by its vital defense work-from the sandy spit of Cape Canaveral, Fla., to the frigid outposts of the Arctic-by its introduction of almost 100 new products and services, and by achievements in its research laboratories that give promise of even more remarkable products and services for the future.

Its adjustment to change was symbolized by its continuing shift from a business oriented primarily toward entertainment to a richly diversified one in which defense and industrial products are taking on mounting importance. Since 1950, the nonentertainment aspects of RCA's business have risen by more than 250%.

This adjustment was epitomized, too, by the expansion

and realignment of RCA's manufacturing facilities, and by the streamlining and strengthening of its corporate structure. A total of 12 important new units were created to move decisively into areas of greatest potential growth such as missiles, satellites and space vehicles, automation, electronic data processing, and atomic energy

These adjustments, we are confident, put RCA in a position to take fullest advantage of the expanding opportunities, and to contribute even more effectively in four major areas of electronics—the exploration of space, national defense, business and industry, and the home.

#### Electronics in Outer Space

The recorded voice of President Eisenhower relayed earthward from the Atlas satellite heralded the dawn of an era when man may become almost as active in interplanetary space as he has been on the earth's surface.

The communications equipment in the Atlas satellite was designed to receive and transmit simultaneously several written messages and one voice message when within range of designated ground stations. A major part of the communications system, both in the Atlas and on the ground, was developed and built by RCA for the Army Signal Corps.

No one is wise enough to foresee all the consequences of our bold new adventures in outer space. One thing, however, is self-evident. Electronics will play a vital part in our intensified explorations and conquests. This was dramatically foreshadowed by still other events of the past year.

For example, a powerful new RCA tracking radar furnished information necessary for the successful orbiting of our earth satellites. The radar followed the big rockets from the moment of launching, feeding information into an electronic computer that determined the precise moment for firing the all-important final-stage rocketthe one that kicks the satellite into its orbit around the earth.

Already in the forefront of the new electronics is RCA's Astro-Electronic Products Division, established early in 1958 at Princeton, N. J. The first organization of its scope anywhere in the electronics industry, the division spearheaded RCA's contribution to the Atlas satellite, and today is developing, designing and constructing other satellite electronic systems on firm delivery schedules. Initial deliveries already have been made for various satellite projects.

Engineers and scientists of RCA have conducted investigations pointing to the technical feasibility of special purpose satellites in several areas.

They have made detailed studies of the possible use of an artificial moon as an orbital post office for space mail delivery between the United States and Europ

Ground systems on both sides of the ocean would link post offices in major American and European cities with transmitting and receiving stations communicating via the satellite relay. Letters written on special forms would be converted electronically into radio signals for trans-Atlantic space transmission. At the receiving end, highspeed electronic printing techniques, such as RCA's "Electrofax," would convert the signals back to letter form for postal delivery.

Also under study are systems of specially equipped satellites which might be placed in orbit at various levels above the earth to serve as relay stations for international communications, television and other services.

Orbital weather stations are another possibility. Carrying special equipment for detecting changes in cloud





Donald J. Russell

cover and heat radiation, they might very well improve our techniques of weather forecasting and lead to further understanding of phenomena relating to climate and

Finally, it is conceivable that satellites could enable an international control organization to observe major threats to world peace, and warn against an impending attack anywhere on the globe.

#### Electronics in National Defense

Electronics is dramatically reshaping our concepts of national defense.

It is at the very heart of the control systems that fire our missiles and direct them across thousands of miles of space to their target area. Electronic devices see, hear, and think for our supersonic jet fighters and bombers, and our nuclear-powered submarines. Electronic warning systems serve as our silent sentinels all along the vast periphery of the Free World, ever alert to the grim possibility of enemy attack

systems serve as our silent sentinels all along the vast periphery of the Free World, ever alert to the grim possibility of enemy attack.

One of America's top-priority defense projects is the construction of a Ballistic Missile Early Warning System (BMEWS) which was started this year. This complex system of long-range radar bases in the Far North is designed to provide prompt notice of any missile attack across the polar region.

RCA, as prime contractor to the Air Force for BMEWS, has responsibility for the planning, system design, production supervision, installation and initial operation. I am happy to be able to report that construction of BMEWS is solidly on schedule. A combination of dynamic drive in construction work through the summer by the Army Corps of Engineers, and ingenuity in keeping Arctic port facilities free of ice as the fall came on, made possible the favorable pace of work on this all-important program.

Not only in missile defense but also in missile development, electronics is essential. At Cape Canaveral, where the IRBM's, the ICBM's and the other awesome weapons of tomorrow are undergoing tests, electronic data guide the men directing the operation and tell them what went right—and what went wrong. Some 2,800 engineers and technicians of the RCA Service Company handle the vital electronic aspects of range operations at Canaveral and the down-range chain of tracking stations, consisting of 11 island bases and 11 specially-equipped picket ships.

During the year, these engineers and technicians put into operation new equipment and new techniques that vastly enhanced the range's capacity and efficiency. A shift of facilities—planned, engineered and carried out by RCA personnel—made possible the "countdown" of three missiles at a time instead of one.

The new emphasis on missiles has put a premium on electronic equipment that is compact and lightweight but at the same time rugged and reliable. By combining existing techniques of miniaturization with a revolutionary new micro-module concept of a uniform size and shape for all elements, RCA engineers have demonstrated that many important military items can be reduced to at least one-tenth—and in some cases to as much as one-thousandth—their present bulk. Experimental circuits, including entire assemblies of transistors, wiring and other elements compressed into micromodules no bigger than a cough drop, have been built for the Army Signal Corps.

Out of the systems and devices intended primarily for our national defense effort, we are confident, will eventually come many worthwhile developments for business and industry.

#### Electronics in Business and Industry

The application of electronics to business and industry is moving swiftly forward under the impact of new scientific knowledge and new equipment. Electronics is being called upon, more and more, to provide the means of communication, the computing systems, and the control devices. The more complex the operation, the more important is electronics' role likely to be in performing it.

In our factories, electronics is adding startling new dimensions to human efficiency. In our offices, it is making molehills out of mountains of paperwork.

During 1958, RCA made giant strides in developing new electronic equipment for business, industry, and government. It put on the market the first fully transistorized, general purpose electronic data processing system. Known as the RCA 501, the system is designed to bring full-scale data processing within range of the average company. Orders already have been received from banks, insurance companies, manufacturing concerns and Government agencies.

The increasing activity in automated materials handling and processing led to the establishment of a new Industrial and Automation Division. Already launched is a newspaper printing and distribution automation program, aimed at the eventual production of the daily newspaper from the raw newsprint to the delivery truck. RCA also extended its line of automated equipment for the beverage industry, and introduced automatic process and inspection equipment for the automotive and steel industries. In advanced development is a transistorized remote control system for pipeline operations, for public utilities, and for industrial production.

The growing scope, speed and complexity of manufacturing, transport and commercial operations gave further impetus to the use of microwave and mobile radio communications, and closed-circuit television. TV also continued to find favor in the nation's classrooms, and an electronic language-teaching device was introduced to extend electronic technology's aid to education.

#### Electronics in the Home

It was as an entertainment medium that electronics originally captured the popular imagination—first with

radio and later with black-and-white television—and its

influence in this area continues to mount.

Two developments in 1958 highlighted the progress of electronics for the home. One was the introduction of stereophonic sound to the popular market. The other was the sustained growth of color television.

Stereophonic sound—the full dimensional reproduction of high-fidelity music—represents the culmination of a steady rise of popular interest in quality music listening. Its impetus is expected to boost the recorded music industry's business well over the billion-dollar mark in 1959.

RCA asserted early leadership in the stereophonic field with two major innovations: the first complete line of stereophonic high-fidelity instruments, and a revolutionary stereophonic tape cartridge providing four times as much music as the standard tape. Together with the new RCA Victor stereophonic records, these developments put stereo within the price range of the average American family.

In color television, the growing public acceptance was reflected in a significant increase in sales, despite the industry-wide softening of black-and-white television sales. New refinements in broadcasting techniques, the heaviest schedule of color programming so far, and increasing dealer enthusiasm combined to produce higher sales for color in 1958 than in the previous year. A major innovation was the "Wireless Wizard" ultrasonic remotecontrol unit for color as well as black-and-white TV. RCA is planning increases in 1959 in its color activities.

In overall television production and sales, RCA retained its industry-wide leadership during the year. A notable milestone was the production of the 10 millionth RCA Victor television receiver—a record for the industry and a tribute to RCA's distinctive quality performance.

In addition to its continuing leadership in color television programming, the National Broadcasting Company registered broad gains during 1958 in its television and radio network operations, and laid the foundation for still greater broadcasting services in the years ahead.

For the 11th straight year, national advertisers invested more heavily than ever before in NBC's Television Network, and NBC-TV again led all networks in number of sponsors. Gross time sales in 1958 exceeded the previous year by 11%, more than double the network's volume of five years ago.

NBC reaffirmed its faith in radio by developing a wider variety of new programs and formats. Toward the end of 1958, NBC Radio had 48% of all measured network radio sponsored time, and commercial radio business was up 20%.

#### Prospects for the Future

These were the directions and the dimensions of electronic progress during 1958. They opened wide the gateway to space, greatly strengthened the effectiveness of our national defenses, quickened the pace of industrial efficiencies, and made possible new opportunities for cultural enrichment.

This progress is even more significant in what it portends for the future. Electronics will multiply a thousandfold man's capacities to produce and enjoy the riches of the earth and of science, at the same time that it raises the level of his vision to the farthest reaches of the

Electronics will play a dominant role in the control

of thermonuclear fusion, the energy-releasing process that occurs in the sun and the stars, for the ultimate production of unlimited power for man's use.

It can help immeasurably to meet the needs of our growing population and the challenge of Soviet technology to catch up with and surpass this country's production levels.

To counter the Communist economic challenge will require all our energies, daring and dedication of purpose. It is obvious that simply to remain abreast of our own national needs or merely to keep pace with the Soviets, can be neither a yardstick of achievement nor a goal of accomplishment. The American objective must be dynamic advancement—within the free enterprise system—to constantly higher levels of technology and productivity.

#### STUART T. SAUNDERS

#### President, Norfolk & Western Raflway Company

The outlook for business in general and the railroads in particular is considerably more promising today than it was this time last year. Our economy has come through the recession in good shape, and the prospects are that 1959 will be a year of im-

are that 1959 will be a year of improvement for business, with high levels of productivity and prosperity. There is nothing to indicate, however, that a new boom is underway. Steady growth, rather than spectacular expansion, will likely be the tempo of the new year.

In 1958, the railroads felt the im-

In 1958, the railroads felt the impact of the recession more than most businesses. This stemmed from the fact that railroading is a volume business, which is directly and immediately affected by declining economic activity and inventory reduction. However, unlike other industries of this type, the railroads are seriously handicapped by unfair and outmoded

handicapped by unfair and outmoded governmental regulatory and taxation policies. Fortunately, growing public concern for the shackled railroads resulted in adoption by Congress of a new transportation act recommended by the Smathers Committee. Although limited in scope, this legislation is a step in the right direction and will afford the railroads some measure of relief.

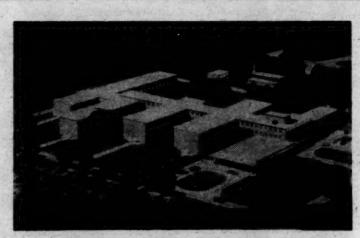
Stuart T. Saunders

The lifting of some of these regulatory burdens will provide greater opportunities for the exercise of sound managerial discretion in curtailing unnecessary and uneconomical operations and in competing for the additional traffic that will be generated in the years ahead. Another development which will benefit many railroads is the increased emphasis on cost control. Under the impetus of the recession, a number of railroads have effected large savings without impairing efficiency by re-examining critically every phase of operations. Thus, during the six-month period ending Nov. 30, 1958, the Norfolk and Western, with a 17% drop in operating revenues, was able to reduce operating expenses by 25% and increase

net income by 7%.

With business activity increasing, the N&W expects its

Continued on page 102



NEW GENERAL MILLS RESEARCH CENTER Construction will begin in the spring of 1959

You can influence research environmentally, but you cannot lead it. You must follow where research leads.

This philosophy, expressed many years ago by James F. Bell, founder of General Mills, has guided the company through 30 years of

growth and diversification. Now it takes on added importance as General Mills plans a new, modern Research Center in Golden Valley, Minn., suburban community west of Minneapolis.

A major forward step in the company's plans for growth, the new center will be built in stages over a four to six-year period. Ultimately, it will provide 360,000 square feet of floor space for basic and applied research and will house 500 scientists and associated workers. While leading into new pathways, it will continue to move high-quality, high-convenience food products onto that broad avenue to the American home which General Mills has long followed to success.

Progress Thru Research



MINNEAPOLIS 26, MINN.

traffic and earnings to be better this year than they were last. Coal is the most important component of our traffie, and, despite uncertainties in the export market, increased operations in the steel and electric power industries should esult in stronger demand for coal in 1959 than in 1958. The National Coal Association estimates that coal production this year will be 455 million tons, compared with about 400 million tons last year.

At the present time, we are in the process of acquiring 268 additional diesel locomotives at a cost of almost \$50 million. These locomotives are being delivered at the rate of approximately 16 a month and will completely dieselize our operations at present traffic levels early in 1960. In addition, we are currently constructing 40 new hopper cars a week in our shops, at a weekly cost of approximately \$350,000. We spent almost \$46 million for capital improvements in 1958 and will spend an estimated \$60 million for the same purpose in 1959. It seems clear that capital expenditures will remain at high levels in the future as the N&W continues to act upon its conviction that the territory it serves has a bright future.

#### HENRY B. SARGENT

#### President, American & Foreign Power Co., Inc.

The pace of Latin American economic expansion, was slowed somewhat last year due to reduced sport income and to continued problems of inflation nd foreign exchange, may again be affected in 1959 by

some of the same problems. However, basic economic advancement, marked by rising living standards and industrial growth, is sure to con-tinue with no let-up expected in the rowth of demand for electric power in the areas served by American and Foreign Power subsidiaries. Important factors behind this continued rise in consumption of electric power are the world's fastest rate of population increase, expansion in residential usage of electricity, the inauguartion of new industries and the expansion of existing industrial en-



Henry B. Sargent

During the year just ended, the American & Foreign Power Com-

pany System, serving eleven Latin American countries, pent neary \$100 million, to expand and improve its electric power facilities, increasing total system capacity by 12%. Some of the largest additions to capacity were made in Cuba and Mexico. In Cuba, power-producing capacity was increased by 24%, and in Mexico, 38%. New capacity was placed in operation also in Ecuador and Panama, while in Brazil, work progressed on large additions to generating capacity which are to begin service in 1959 and subsequent yeers.

During 1959, it is expected that another \$100 million will be spent on system expansion, and construction expenditures are expected to continue at this level annually for at least another three years. Approximately half of these expenditures will represent purchases of electrical equipment and materials produced by United States manufacturers. Furthermore, the availability of addi-tional supplies of electricity in the areas served by our associated companies will result in sales of a wide variety of manufactured products by United States manufacturers, including machinery, electrical appliances and

There were several outstanding developments last year which should have a favorable effect upon the electric power outlook in particular areas served by Foreign power. One of the most important of these developments was the signing of a contract with the Argentine Government to settle the long-standing difficulties of our Argentine subsidiaries. This contract provides for the sale of all our Argentine properties to the Government with payment to be made in United States dollars over a fifteen-year period. Under conditions stated in the contract, the compensation received, plue 25%, will be reinvested in Argentina, with our Argentine companies agreeing to build a 300,000 k.w. steam-electric generaion plant to serve the Greater Buenos Aires area. The power to be produced by the new plant would be sold at wholesale at a price sufficient to provide a reasonable return on the capital invested. Since nearly half of our Argentine properties had been taken from us by the Peron Government and the remaining properties had been operated at a loss for many years, the new contract should be beneficial to the Company. It also constitutes a major step forward for Argentina, since, besides helping to relieve the chronic electric energy shortage in the Greater Buenos Aires area, it has gone far toward restoring Argentina's credit standing abroad and toward encouraging a greater flow of badly needed foreign capital. The power plant to be built under the contract will increase Argentina's total electric generating capacity by 12% and will result in importation from the United States of some \$40 million of machinery and equipment.

During the first nine months of 1958, the Company increased its investment in its associated companies in Latin America by over \$27,000,000. At the same time, further progress was made in the Company's program for obtaining outside financing, both in the United States and in Latin America, for its expansion program. Credits totaling \$10,875,000 were obtained in October by two of our Brazilian subsidiaries from the Export-Import Bank to assist them in meeting the dollar costs of their construction programs in Brazil, to which reference s already been made. This followed sales, earlier in 1958, of \$36,300,000 of Foreign Powers 5 % % debentures.

This brought total sales of these debentures to \$52,500,-000, of which the Metropolitan Life Insurance Company and the Export-Import Bank each purchased \$25,000,000.

Further progress in financing expansion through the sale of the subsidiaries' own securities was made in Cuba and Panama. During September, our Cuban subsidiary successfully placed nearly \$8 million of additional common stock with a limited number of private investors in the United States. Sales of the subsidiary's 5% dollar bonds in Cuba also continued, with the total of such sales since the campaign was initiated in 1953 reaching a figure of \$13,600,000. An offering last August by our Panama subsidiary of \$1.2 million of its debentures and common stock was quickly oversubscribed by the public in Panama. Credits to finance construction have also been obtained from local banks and governmental agencies such as the Brazilian National Bank for Economic Development, Nacional Financiera in Mexico and Financiera Nacional de Cuba.

We are confident that, during 1959 and succeeding years, further progress will be made in obtaining participation by private and institutional investors, both in the United States and in Latin America, in the provision of the large amounts of capital continually required by our associated electric companies in their efforts to keep up with Latin America's rapidly expanding electric power needs.

Although Foreign Power in 1959 will still face problems deriving from inflation and currency depreciation in certain countries where electric power rates are not automatically adjusted to reflect the resulting increased operating costs, we are hopeful that remedial legislation will be passed this year in Brazil and Chile which will provide a basis for an expanded construction program in both these important countries.

As an indication that many investors in the United States share the confidence of Foreign Power and its subsidiaries in the economic opportunities and further rapid progress ahead in Latin America, United States direct investments in that area now exceed \$9 billion and are larger than in any other region in the world. These investments, of which the Foreign Power System companies constitute one of the largest, are a vital link in our growing economic relationships with our Latin American neighbors and are an important element in Western Hemisphere unity and strength.

#### E. W. SCHUMACHER

#### President, American Optical Company

In general, we expect better than a 10% sales increase and a substantial increase in our net profits over 1952. We have four major divisions in our company, each serving a separate market. The Ophthalmic or Eyeglass

business, consisting of frames, lenses and cases, will show a definite gain in sales and profits for a variety of reasons—one of the most important being a growing awareness on the part of the public of the importance of good vision and the effect upon appearance of properly styled eyeglass frames.

Our Instrument Division, both Scientific and Diagnostic, will continue to show gains because of substantial improvement in our product lines and because we have entered new fields.

Our Industrial Safety business will show some gain but is dependent upon employment and heavy industry, and until this employment increases, we do not look

for much in the way of profit improvement. Our Sunglass business is expanding rapidly, and barring sunless weather which occurred all over the country last year, we should have an excellent sunglass

We expect a great deal of pressure on wages and higher costs. We are organized to resist these increases on all fronts. This is the biggest problem facing our management today.

#### IRVING I. SCHACHTEL

#### President, Sonotone Corporation

Assuming a favorable economic climate prevails in 1959, which we have every reason to presume, Sonotone Corporation expects to go forward in its various fields of operation. Our hearing aid business relates to an expanding market. Based on the

ever-increasing population and ex-tended longevity of our citizenry with the incident of deafness related to older age, we have every reason to expect furtherance of our growth in this field. Our leadership responsibility is fortified by continuing developments to make our hearing aids more acceptable and functional.

Our nickel cadmium battery operation is proving itself more and more fundamental in this art and wider uses are being endorsed by both military and commercial customers. Here again, we anticipate further growth.

Despite the amazing transistor, miniature and subminiature vacuum tubes are being consumed in even greater quantity than during 1957, and we look forward to further progress in our tube opera-

tions for 1959. Stereo is capturing the imagination of the public in home phonograph apparatus and Sonotone is indeed

proud of its contribution with its quality, but low-priced, stereo phonograph cartridge. We expect our growth to parallel that industry, concerning which we are most optimistic.

Other products that we have developed in the field f electronic applications are currently planned for early 1959 production, and we are also undertaking most interesting and challenging developments that we look forward to producing during the latter part of that year.

Schotone expects to go further ahead during the coming year and at the same time it anticipates a general industry advance.

#### JOHN A. SCHOONOVER

#### President, The Idaho First National Bank, Boise, Idaho

The year 1958 for Idaho has been quite good, with most lines of business operating at a satisfactory profit. It is gratifying that agricultural and livestock operations had favorable weather conditions and had prices which

Our bank, through its 33 offices representing approximately 35% of all commercial banking busines; of the State of Idaho, has made loans during 1958 approximating \$116 million, which loans have been granted to farmers, livestock men, and what is generally termed small business people. These loans are being repaid without, apparent distress or difficulty on the part of the bor-rowers, which fact would seem to indicate that those businesses have been able to operate with reasonably pleasing results. As we look forward to another

ear, we do so with considerable confidence, which apparently is in agreement with the forecasts of most well-informed people. I believe, however, that the hope of manufacturers of new cars is bound to fall substantially short of estimates, partly because of high prices which must be paid for the cars, but mostly because the racy lines nad uncomfortable interiors are not meeting with the approval of the automobile buying public.

It should also be realized that America at this time has the greatest productive capacity in the world's history and that that capacity is not entirely in use at this time. Seven percent of the nation's work force is still unemployed; there is a surplus of almost every commodity; and any reasonable person must face up to the fact that for the next several years competition in all lines will be terrific, and success will only come to the careful, efficient operator, whatever his business may be. I would also venture the opinion that interest rates will go lower during 1959 than they are at the present moment.

We look for Idaho, with its well-balanced economy and abundant natural advantages, to be among the states making the best progress.

#### EARL B. SCHWULST

#### President, The Bowery Savings Bank, N. Y. City

All types of institutional savings have flourished during 1958; the final figures for mutual savings banks will show a net gain in deposits of well over \$2 billion, the largest net gain in their history.

In a year characterized by recession and sharp recovery, part of this growth has come as the result of selective spending and investment. A reversal to a spending spree would slow down the growth of savings in 1959 as compared with 1958. At this time there is no evidence that spending in the near future will reach such proportions as to warrant unusual demands on savings institutions. The preference for new homes in 1958 rather than new automobiles is an indication that consumers are screening their purchases and prefer buying for investment rather than spending for purely immediate needs. Such investment buying is

really part of a well-integrated savings program and has contributed much to the economic security of the country. It provides fresh evidence that consumers have faith in the continued integrity of the dollar, in spite of a great deal of talk about inflation.

With only minor interruptions, the trend of long-term interest rates has been upward since 1946. Savings institutions, in fulfilling their role in a free economy, have increased their earnings and passed the major portion of these increases on to their policyholders, shareholders, and depositors. Very little is known about the problem of whether or not increases in interest rates promote savings, but we as savings institutions like to believe this to be the case. As our earnings increase and I have little doubt that this increase will continue through 1959-our dividends and interest payments will also increase:

The managers of thrift funds, however, are not without their problems. As money rates have increased, the market value of investments made at lower rates has depreciated. Prudent management has always dictated that the growth in deposits or policyholders' reserves should be accompanied by a corresponding growth in the capital funds available for their protection. On top of this, now with higher money rates, institutions must



Earl B. Schwulst

bolster their reserves against older investments made at lower rates.

Managers of institutional funds are well aware of these two problems, and will only move to increase the reward to savers after providing adequately for the protection of the funds entrusted to them.

#### F. RITTER SHUMWAY President, Ritter Company, Inc.

The year 1958 was one of the most unusual and one of the biggest that the dental equipment industry has ever experienced. The reason for this situation, in spite of the "recession" in the rest of the economy, was account-. ble in two ways.



(1) The revolutionary new Ultra High Speed Air Turbine Dental Drill which was introduced in the last month of 1957 came into full production for the entire year of 1958. The quantities with whi profession bought this new tool was larger than anything else that has ever been manufactured by the producers of heavy dental equipment. This meant not only large volume and great activity with this one product but it also stimulated the sales of other heavy dental equipment.

(2) The ratio of dentists to population has been declining in recent years with the result that dentists must take care of more and more patients annually. This fact plus the

fact that the income of the patients of dentists did not suffer seriously in the recession of 1958 meant that dentists have kept busy and their incomes remained steady and at a good level throughout the year. Under these circumstances it was only natural that they should be good prospects for and should actually have bought new equipment as they modernized their offices and their techniques with the Air Turbine Handpiece which has been demanded by their patients once they have heard about it.

The situation described under point No. 2 above should continue in 1959. In fact, if anything, it should become more accentuated as the general economy recovers, as is generally conceded to be the case, and the patients of dentists have more income with which to pay for dental care.

The point will be reached in 1959 at which the Air Turbine Dental Handpiece will have to be sold rather than merely delivered to those who demand it. Dental equipment manufacturers who have a strong selling organization and good distribution systems should enjoy a good level of activity in 1959.

#### MERRILL E. SHOUP President, Holly Sugar Corporation

Two events of the past year have a bearing on the future prospects of the beet sugar industry. These were the huge deficits in supply of two of the domestic sugar producting areas, Hawaii and Puerto Rico; the other the approval of the International Sugar

Agreement. Representatives of the important world sugar producing and sugar consuming countries met in Geneva, Switzerland, this past fall in negotiations relating to the renewal of the Sugar Agreement. The Agreement, similar to those which have been in effect for a number of years, is designed primarily to stabilize the world situation in sugar and harmonize the conflicting interests of the major consuming and exporting countries. If the goals are attained even in part, the background in which the domestic sugar industries operate will be stabilized and im-



During the past year, the drought in Puerto Rico and the extended strike of sugar workers in Hawaii resulted in a sharp curtailment in supply from those origins. The deficits totaling nearly three-quarters of a mill tons so created were filled by sugar from the mainland beet and cane sugar areas, as well as Cuba. The unexpectedly large increases in the marketing quota for the beet sugar area were met in large part out of inventory and new production. Acreage allotments for 1959 should provide for adequate inventory replacements. The calendar year marketings in 1959 will, however, necessarily decline somewhat under the reduced marketing quotas expected for 1959.

For the coming year, two major fields of interest to beet sugar producers must be mentioned. These relate to the renewal of the Sugar Act as it affects both users and producers and to the political situation as it may exist in Cuba.

For the past 25 years, the Cuban sugar industry, that of the Philippines, and that of the domestic areas including Puerto Rico, Hawaii, the Virgin Islands, and the cane and beet industries of the mainland of the United States have been protected by quotas, with a tax and conditional payment system applicable to the domestic areas, a tariff of 50 cents per hundredweight on raw sugar of Cuban origin, and exemption from the tariff for Philippine sugar. It is anticipated that the legislation will be extended in its present form by the new Congress. There may be minor issues raised, but the interests of the interests of consumers as well as producers have been well protected. There have been periods when the so-called world prices have been substantially in excess

of domestic, prices, as well as longer periods when the reverse situation has been true. Because of the generally successful nature of the Sugar Act, it is expected that it

will be renewed.

The political situation in Cuba, a subject about which we know very litle, can only be determined with the pasage of time. Apparently the contending forces in the Island Republic appreciate the need for economic strength and recognize that the well being of the island is dependent upon the fortunes of the sugar trade. However, whether the passions of the contenders can be diverted from the destruction of sugar and sugar property during the heat of civil conflict is still an unknown. To date, it appears that destruction of the means of sugar production has been limited. It is recognized that the United States is the preferred market for Cuban sugar and that the normal total production of the area is far in excess of our normal takings. Consequently, while there may be temporary transportation disruptions and interference with supply necessitating some expansion of protective inventories by mainland refiners and industrial users of sugar, we would anticipate that the supplies needed from this source by domestic consumers

will over the year be forthcoming.

The curtailment in marketing quotas expected because of the anticipated expanded production in Hawaii and Puerto Rico will limit the volume of sales for the coming season. It is our feeling, however, that the beet sugar industry may find some improvement in the price structure because of possible temporary disruptions of supply from Cuba as well as an apparently growing recognition of its needs, but that cost factors associating with material and supply items, as well as the wage bill,

may offset this in large part.

H. J., Shuttleworth IJ

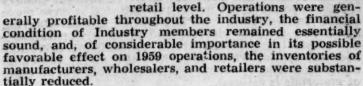
#### HERBERT L. SHUTTLEWORTH, II President, Mohasco Industries, Inc.

The Carpet Industry enters 1959 with considerable optimism, the result partly of the Industry's performance during the recent recession and partly the favorable outlook for 1959. Along with this optimism, there is,

however, a realization that several matters of concern to the Industry

await solution.

The performance of the Industry in 1958 was generally encouraging. Unit sales of carpet manufacturers totaled approximately 112,000,000 square yards or practically the same amount achieved in each of the record years 1956 and 1957. Dollar sales in 1958 declined only 4% from \$571,000,000 in 1957 to \$548,000,000, despite two general price decreases, an increase in the proportion of sales of lower valued carpeting, and a widespread liquidation of inventories at both the wholesale and



For 1959 the outlook for the general economic factors effecting the Carpet Industry's sales prospects is de-cidedly favorable. Private residential construction and commercial construction are expected to show gains

over 1958, the former of a substantial nature. R modeling of existing homes and commercial establishments should also continue at the expanded rate notice able in the past few years. New family formation should rise above their existing high level. The part of family relocation, which now finds one of every find the relocation of the part of of the p individuals relocation, which now finds one of every individuals relocating once a year, is expected continue. And, of special interest, disposable inco should remain at a high level and liquid savings individuals are exceptionally high. Actually the Individuals are exceptionally high. Actually the Individuals are exceptionally high. Actually the Individuals are expect to benefit in 1959 not only from current strength in many of these factors but from t strength exhibited therein over the past few years for there is considerable evidence that a portion of the carpet sales derivable therefrom are normally postponed for a few years.

The Industry is in a good position to take advantage of these factors. Its inventories are in good balance. It is offering the consumer a product possessing many important and proved functional values—color, beauty, warmth, quiet; safety, and ease of maintenance — at reasonable price levels and on attractive credit terms. Its 1959 product lines incorporate many improvements in styling, texture, coloring, and durability, and the contemplated 1959 advertising and promotional programs of the Carpet Institute and its member companies are designed to effectively exploit these advantages.

Thus, 1959 should witness a high level of activity for the Carpet Industry. This will undoubtedly result in some improvement in operating results of member companies. Greater stability in raw material costs will also contribute to this improvement. But the earnings experience of the Indutsry will not rise to satisfactory levels in spite of enoromus funds spent in recent years by member companies to improve their facilities and efficiency. This situation stems primarily from the harmful effects of continuously expanding foreign imports which, by virtue of further tariff concessions granted by the recent Congress, should continue to grow in importance.

#### HERBERT R. SILVERMAN President, James Talcott, Inc.

Because of the recession in late 1957 and early 1958, many businesses and industries were forced to curtail expansion and modernization programs which were either in progress or in the planning stages. When the economic outlook began to clear in



H. R. Silverman

latter part of 1958, sales improved, unemployment figures dropped and most other economic indicators turned upward. Cautiously at first, then with a little less timidity, the expansion programs were again taken from the shelves and duster off. From a business viewpoint, the best part of 1958 was its ending.

The 1957-58 recession, its length and even its severity were predicted by a number of economists. Many saw it coming and were not really surprised by it.

In contrast, very few people are predicting a similar recession for 1959. It is difficult to be pessimistic

today, especially since we proved that the economic downtrend could be reversed.

Continued on page 104



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Flushed with this success, there is an unfortunate tendency to build our hopes too high. I believe 1959 will see a steady, yet selective, rise in our nation's economy. I believe the progress of most individual businesses and industries will follow a similar pattern. Unlike some others, I do not foresee another "boom" year in 1959 but, instead, a moderately better year than 1957 and 1958. I expect there will be more than one "soft" spot.

As for my own field, the commercial finance and factoring industry, I feel that it will do a little better than the general economy. There are a number of rea-

sons why it should.

First, more companies are going to continue the expansion programs which were cut back last year. That means they will be seeking capital to finance these programs. Our industry is well equipped to meet this demand for credit, especially when adequate bank lines are not available to these firms.

Then, the commercial finance industry today is not dependent on any one industry or any one area of the nation. Companies in this field have diversified not only the types of industries they serve, but they have also broadened the scope of financing services they can offer. In this way, they are closely attuned to the gen-

eral economy of the country.

But they have an advantage that many industrial companies do not have. They have extreme flexibility. In a selective economy such as the one I foresee in 1959, commercial finance firms can concentrate their investments in the more profitable fields, and do it quickly because of their basic liquidity.

A good example of this was shown during the past year. In spite of business contraction, tight money, restricted credit and rising money costs, the commercial finance and factoring industries increased their loans outstanding by some 7 per cent to \$11,-900,000,000. In 1959, this figure should reach approximately \$12,500,000,000.

Banks, institutional investors and stockowners historically have been the source of funds for companies in the commercial finance and factoring industries. In almost every year during the past decade, firms in our industry have gone to these sources for more funds to increase their lending bases.

Generally speaking, this trend should continue in 1959 as additional capital is needed. On an over-all basis, however, the amount of funds required may be somewhat lower than in the previous few years. In those years we were preparing for the recession we saw coming. We knew our clients would need capital during the recession and that it would be unavailable to many of them, in the amounts required, from other sources. Our industry went to its sources in the money market and obtained capital funds. When it was needed in quantity by our clients during the recession, we were willing—and able—to provide it.

I am confident that commercial financing and factoring companies will continue to prosper, along with the U.S. economy, throughout 1959.

#### JAMES M. SKINNER, JR. President, Philco Corporation

In general, we look for a steady business year during 1959, particularly in the electronics field. Because of the increasing interest in electronic devices, spurred by the publicity given to their use by the military, and the



J. M. Skinner, Jr.

growing sophistication of consumer buying tastes, the outlook for the electronics industry is encouraging. Sales of stereophonic instruments are expected to show an increase. There is a great deal of confusion among consumers as to which types of systems are best, but as the stereophonic concept is more universally understood, the current slow-down in sales should be resolved. The stereo business is expected to develop into a major field, particularly by the last quarter of 1959.

In the radio business, almost a complete shift to the use of transistors rather than vacuum tubes in

radio receivers is anticipated. Transistors have definite advantages over vacuum tubes for this purpose, specifically their small size, low power consumption, ruggedness and reliability.

We do not look for any substantial increase in television sales during 1959. Color television continues to be an infant field, nor do we anticipate its becoming a major business during the coming year. Considerable technical improvement is in order before high quality and reliable color receivers can be available to the consumer at reasonable prices.

The appliance business should maintain about the same levels as last fall. Consumer buying cycles are highly unpredictable, but we do anticipate a gradual increase in sales and this business should at least hold its own, perhaps show an increase, during 1959.

The transistor business is experiencing a boom and we expect demand to continue throughout the coming year. These tiny semi-conductors fill many vital applications in the Government, industrial and commercial fields.

Government contracts should continue to be important to American business, because of the continuing necessity for maintaining a state of national preparedness.

Electronic equipment such as missiles, radar and microwave, will continue to be needed in great numbers for our nation's defense program.

#### J. D. SIMMONS Gustin-Bacon Manufacturing Company

Since the factors or indicators available to businessmen are all more or less pointing upward, and starting some sixty days ago there was a definite change in trend in our business in that our backlog of orders is moving upward and monthly sales are increasing at the rate of about 10% over the same period a year ago, it is our opinion this situation is general and healthy and will continue at this rate for at least the first six months of 1959. We feel the volume of business may flatten out a bit during the months of July and August. However, on the whole, we look for a satisfactory year with the majority of industries showing substantial improvement both in sales and in earnings.

## C. E. SMITH President, Townstor Corporation

We believe the importance of lift trucks in coordinating all management functions for greater plant-wide efficiency and profit is now a recognized fact throughout industry. "Shall we invest in lift trucks?" is no longer

the big question asked by management in factories, mills and warehouses. Their indispensability has

been proved.

What will most interest industrial management executives in 1959 are new lift truck developments that will extend their use in all departments. Extra attention will focus on advances made to simplify material handling operations and move more products faster through the plant, off the docks and out of the yard. Management will also give more consideration to the maintenance factors—because lower servicing costs (as well as reduced down-time resulting from minimum maintenance attention) can contribute substantially to

tion) can contribute substantially to the profit picture. For these reasons we expect to see more use of special load - handling accessories, power steering, automatic drives and other technical advances aimed at reducing handling costs.

Our company is backing up this conviction by introducing a number of new developments, the most revolutionary of which is the new pedal-operated power application which we call Towmostatic Drive. Since it enables operators to move lift trucks forward and reverse more swiftly and smoothly with left foot on a pedal—leaving hands free for easy steering and faster lift operation—and eliminating gearshift, clutch, transmission, drive line and differential which are often the major causes of costly maintenance—more profitable handling of all types of materials is assured.

Our primary objective for the immediate future is geared to further product refinements, as well as new areas of technical development giving industrial management every reason to broaden their use of fork lift trucks for greater profit in 1959.

#### EDWARD D. SMITH

#### President, The First National Bank of Atlanta, Ga.

We think business in 1959 will be good probably continuing the upsurge that marked the last part of 1958. We see no reason why the South, which followed the national trends of down and up last year, will not do

the same again. This following, however, probably will not have the same characteristics of last year that is, Southern fluctuations will not be as sharp and extremes will not be as marked as in other parts of the country. This was particularly true in 1958. The South felt the recession, but not nearly to the extent that it was felt in other sections of the country. On an upswing we should have a firm, rising tide but not a boom.

To some extent 1959 will be a "get acquainted" time as business reacts to a new, more Democratic Congress. We think the year will see a continuation of the business inter-

a continuation of the business interest in politics that showed itself to some extent in the 1958 elections. With government itself clearly a major power in the nation's economy, it is inevitable that the leaders of business will learn to work closer with their representatives on both the legislative and administrative sides of government. This acquaintanceship ought to prove helpful for both business and government.

Edward D. Smith

The fear of inflation is frequently expressed by Southern business leaders. We think it is a real one. We anticipate the year will be marked by renewed efforts to control it. These efforts probably will reflect themselves in the money market. Money certainly will be no more plentiful in 1959 than it was in the last three months of 1958, and there is a good chance that it will be somewhat more expensive.

#### FORREST M. SMITH

President, National Bank of Commerce, San Antonio, Texas

San Antonio and its trade area have experienced another excellent year in general business conditions. Locally, our merchants report excellent sales and satisfactory profits. Residential construction has revived to



Forrest M. Smith

a large degree and automobile sales have picked up, in view of new models being ofered and most labor problems settled. Bank deposits have increased and the totals will probably reflect, at the year's end, an all-time high as of Dec. 31. We are of the opinion that 1959 will be another prosperous and satisfactory year.

South Texas, which contributes so much to the prosperity of our city, has experienced a most satisfactory year through excellent commercial and agricultural conditions. While vegetable prices were disappointing in some cases, the cotton crop was good and in spite of the rains im-

pairing the growth of spring crops, the overall benefit from rains was welcome. Residential construction is proceeding throughout the Valley at a satisfactory pace and 1958 saw a great deal of activity in construction of motels to house the winter tourists. Ranchers continued to prosper through advancing prices for their livestock coupled with most satisfactory range conditions. This paradox has not occurred very often in the memory of our livestock friends. Our petroleum industry is fairing better with their proration allowances increased over a year ago.

Inflation continues to be the most serious threat to our economy, affecting the prosperity and happiness of everyone. We should all oppose excess government expenditures which cause deficits, and also encourage our legislators to enact whatever laws are necessary to prevent further disastrous inflation.

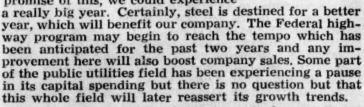
## W. CORDES SNYDER, JR. President, Blaw-Knox Company

The present upturn in the national economy has been sparked by the consumer goods industries, rather than any increase in spending for capital goods. This switch in the bellwether role, held by capital spending in the

1955-57 boom, may mean that the producers of capital goods will experience a less dynamic and certainly a later recovery than in the previous economic upswing.

Blaw-Knox was not as sharply hit by this recent recession as some companies in the capital goods category. Although sales for 1958 will be lower than the peak 1957 figure of \$183 million, they should be near the \$167 million recorded in 1956.

At this time we expect Blaw-Knox to have another good year in 1959. And if our major customer industries get their running legs before too late in 1959, and there is some promise of this, we could experience



With these prospective improvements, how well our company does in 1959 will depend, in large measure, on how effectively we tackle our sales and manufacturing assignments. We're not expecting business in the new year to be a pushover, but on the other hand, we don't see the problems as especially forbidding.

#### JOHN W. SMITH

#### President, Seaboard Air Line Railroad

The Southeast has come through the recent recession in good shape. While the effects of the over-all slack-ening in business activity were, of course, felt by this region, the Southeast demonstrated again a strong resilience in its economy. The basic fac-

ience in its economy. The basic factors which produced that strength are important in assessing the future outlook for the area and they will bear recounting.

W. C. Snyder, Jr.



John W. Smith

The tremendous industrial expansion which has taken place in the Southeast during recent years has been characterized by a highly desirable degree of diversification. One result of this is that the region's economy is not too closely tied to any single type of industrial output. Consequently, the Southeast has built into its economy a solid base of income from varied sources which, in turn, has produced a buttress against economic squalls that

might affect a single industry to an exceptional degree.

At the same time that this marked industrial growth was taking place, the agriculture of the area also was making notable strides, achieving in its own right a new strength through diversification and the adoption of

improved methods which have led to greater per acre yields and increased income from agricultural pursuits.

Still another factor in the stability of the Southeastern economy is its steadily increasing population and the constantly higher per capita income which its residents enjoy. Creating a larger market for goods and services of all kinds, the region is a natural choice for the location of industrial and commercial enterprises capable

of meeting those expanded needs for goods and services.

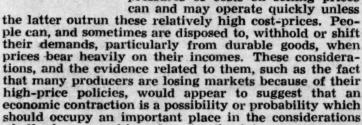
Yet, with all the achievements to which it may now
justly lay claim, the Southeast has but begun to reach
toward its potentials. Endowed with an abundance of
natural resources, and possessing limitless possibilities
for still greater development in all phases of its economy, the Southeast can look forward, with confidence, to
a bright and promising future. a bright and promising future.

#### WALTER E. SPAHR Executive Vice-President, Economists National Committee on Monetary Policy

Among the forces of fundamental importance affecting the economy of this nation is our use of irredeemable currency which is one of the most powerful of trouble makers for a people. It is probably second only to war

or dictatorship as a disturbing force. The common forms of the difficulties which emerge from the bloating and fevers generated by such currency are either a progressive depreciation in its purchasing power or an economic tangle and contraction arising from the fact that costs have overtaken selling prices in important business areas.

Since the contraction of 1957-1958 was not accompanied by a general fall in prices and wages, further expansion in business rests upon this lack of adjustment in costs. This fact would seem to suggest that the pressures of costs on selling prices



of all who are making plans for the future.
Running counter to the forces that could precipitate an economic contraction are many which tend to depreciate our currency still further. Whether such forces can cause selling prices to move ahead of costs, and to maintain that relationship for a considerable period of time, particularly in the face of foreign competition, are questions to which probably no one can supply an answer resting upon demonstrable evidence. Irredeemable currencies have followed the course of progressive depreciation with relatively minor interruptions of the common business contraction type; but the less common economic consequences which can and may occur are severe and even devastating. A multitude of people are generating forces which operate in the direction of a further depreciation of our currency. Apparently there is no way, at this date, to determine whether these forces will override those that ordinarily bring on an economic contraction of the type commonly associated with so-called "business cycles" of a nonrevolutionary variety.

The confusion of forces now operating is exceedingly great because we also have been, and are, experiencing an industrial revolution with its many and powerful ramifications. It may be doubted that anyone has sufficient economic data, or the capacity to comprehend and interpret the collective import of the forces in, and affecting, our economy, to provide a good estimate of whether they should be expected to precipitate an economic recession or to lead us into progressive depreciation of our currency.

The distortions and fevers generated by a depreciated currency and the imprudent spending and other unwise policies of our government, and the forces set in motion by the industrial revolution and capital expansion (which can become excessive very quickly), would seem

(which can become excessive very quickly), would seem to call for great caution rather than for sympathetic response to the urgings of professional optimists.

The first step that needs to be taken toward a sounder economic and political state of affairs in the United States is the institution of a redeemable currency at the statutory rate of \$35 per fine ounce of gold. With this foundation of monetary integrity on which to operate, may other reforms should then be instituted.

Continued on page 106

"Real Estate is Everybody's Business"

## Securities Salesman's Corner

By JOHN DUTTON

#### Handling Speculative Accounts

its interest in the purchase of dend payer, and its management highly speculative stocks, dealers was aggressively introducing new are going to be asked to supply products. Even without the favor-information that is often unob-able merger prospects, the stock tainable. At the present time we was not overpriced. tainable. At the present time we are in a phase of the market when the lay public is beginning to follow tips and rumors and, as the speculative fever rises, this condition will intensify. Any security salesman who is trying to service an investment clientele will unare now coming out of the fold and the shearing day is coming when that will be only time can

#### Give a Frank Answer

When you have an inquiry concerning some unknown penny stock and one of your trusting clients asks you to check up and see what you can learn about it, don't they have information from another source that they consider redo is look up the facts in the stanot be approved, you have sold and Russell Bilgore. tistical manuals which is a matter of public knowledge available to anyone and such information is not pertinent to the rendering of a decision on any speculative situ-

One of my clients asked me just the other day to check up on some unsecured income bonds of a highly marginal railroad. I immediately told him that without any checking the bonds were a very marginal security and that the earnings of this road did not justify any investor's confidence in the outlook for much of an improvement in the market value of the subject bonds. My man then came back with the information that he had heard that a prominent investing company was buying into the common stock of this road and that some very astute speculators were picking up the bonds. He asked me if there was any way I could check up on this bit of gossip and I frankly told him that this was the sort of information that was not available to me. He said he'd take a chance on what he had heard and he gave me a buying order and I bought the bonds for him. If the tip proves out and he makes a profit, all to the good-if it doesn't, it is his hard luck and he knows it. I am not on the hook, he pays his money and he takes his choice.

#### Don't Overpromise

Then there is the type of situaprovable rumor is known to you and to a few other people as well. Let us say you are in the know on some special aspect of a company's affairs. Never place yourself in a position where you recommend a speculative security on the basis of a possible merger of a weak company with a stronger one, or the acquisition of some smaller company by one that is larger. There are always other controlling factors besides the possibilities of such an event transpiring in the not too distant future.

For example, recently it became known (among a few brokers) that a certain well established company was negotiating with one of the giants in its industry and there was a possibility of a merger on very favorable terms taking place. This was just one interesting aspect among several other factors which made the stock of the first company attractive. It had a long history of progress be-hind it, the stock had a good earn-

As the public eagerly increases ing record, it was a steady divi-

It would have been a simple matter to call clients and tell them that there was a possibility of a merger between company X and company Y on very favorable terms and this information alone would have been sufficient to inderstand clearly what I mean when duce considerable buying in the I say that the sheep and the lambs stock. But, instead, the proper way stock. But, instead, the proper way to offer this security was to state the reasons why the stock was meritorious at its current price and then state that as a possible development there could be a merger between the two compa-nies which could be very advantageous to anyone who bought the stock now. However, qualify this statement by saying that even if the merger did not materialize go out on a limb. The best answer the stock was still a sound investige of purchase at Investment Co. has been formed current levels. In this way, you with offices at 6 Church Street prepare your customer for the to engage in a securities business. liable that they should act upon it, prepare your customer for the to engage in a securities business. otherwise don't do it. All you can possibility that the merger may Partners are David E. Rosenthal

him a good security fairly priced, and whether the merger takes place or not once again you have not gone out on a limb.

In this business there are too many uncertainties for any sales-man to say, "This will be." There are no alibis that will distill the balm of solace on a disappointed speculator's losses.

As the speculative tempo in-creases and the stock market soars to stratospheric heights, the wise securities salesman calmly lets his less experienced and gullible speculative accounts make their own decisions regarding purchases of venture type securities. He cer-tainly will not help lead the lambs to slaughter regardless of the ease with which it can now be accom-plished. Such commissions earned will be as illusory as some of the paper profits we see today. One thing is sure - when the public thinks they can get something for nothing in the stock market they will keep on thinking that way until the time comes when they once again discover that "all that glistens isn't gold."

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#### HON. JOHN SPARKMAN

U. S. Senator (D.) from Alabama

Events will prove, in my opinion, that those who have labelled the 86th Congress as "spenders" are in error. Of course, everyone knows that the accusation has been made for political purposes. I believe the 86th Congress

will prove to be a constructive and responsible body and will enact a sound legislative program beneficial to industry and to those other essential segments of America's economic life.

However, it is entirely possible and in fact very likely that the Congress will insist on a more adequate national defense program than that called for by the President in his unprecedented pre New Year announcement of the Administration's budget plans for the next fiscal year. Practically all reliable and knowledgeable sources point to the fact that within the next 18 months Russia will have the poten-



Sen. J. J. Sparkman

tial to destroy our advanced air bases and inflict mortal blows on our homeland.

If we are to be able to deter her from such action or to retaliate in kind, we must have more realistic and more rapidly progressing programs of military preparedness than the Administration has planned. in this category Congress will insist on an enlarged

Congress will also pass a housing bill that will include greatly increased authorizations for FHA insured mortgages and urban renewal projects; new authorization for college housing; re-activated GI housing; more local control of public or low rent housing projects, and other improvements to meet more adequately our rapidly expanding housing needs. The housing program, however, will entail only a small expenditure by the Government. The great bulk of the dollars involved will come from private sources.

Home construction is necessary not only to house families but to help provide a stable and growing economy. The Emergency Housing Law of early 1958 is generally recognized as a chief factor in our economic recovery. We do not need such a program now, but we do need sound legislation to help prevent another recession and to provide more adequate housing for our

I believe the 86th Congress will agree on a TVA self-financing bill. It does not make good sense in the long run for those who once urged such a plan now to oppose it as a means of destroying this great project, so beneficial to the national interest.

Most of the electric power generated by TVA is used in the defense effort. Flood control and navigation facilities have been of untold benefit to the entire nation. It is repaying the Government's investment ahead of schedule, but will remain a wholly government-owned project when paid in full.

Congress will and should enable it to go to the public and sell bonds for self-financing purposes.

Farm legislation will receive careful consideration, and some farm measures will, I believe, be approved. Cotton acreage transfer authority, for example, stands a good chance of passage. Surplus disposal programs will be continued and invigorated. New farm price support legislation may be approved, but Administration opposition may delay any great change beyond that presently on the books until after the 1960 elections.

Labor reform legislation somewhat in keeping with the Kennedy-Ives bill approved by the Senate in 1958 will most likely be passed. There is no place in Labor unions or industry for the crookedness and wrongdoing that Senate investigations have uncovered. Only a handful of top labor leaders oppose fair labor reform

Legislation in behalf of small business will be pushed. Last year Congress enacted more far-reaching legislation beneficial to small business than in any year of this century.

Limited tax credit for money reinvested will be proposed. Legislation relating to the Small Business Investment Corporation established last year will also be considered. Congress wants to make sure that this potentially worthwhile aid to small business be successful.

Programs of economic and military aid to friendly countries will be continued. Such programs pay far greater dividends in the struggle to combat Communism than the relatively small investments made by us in them. In this legislative category I believe the inclination of Congress will be to support the Administration's recommendations

Of course there will be hundreds of legislative proposals and dozens of them enacted into law. Tax changes to close loopholes; changes in the social security programs; strengthening of the antitrust laws, and perhaps a school construction bill are all likely to be approved.

However, I believe the programs briefly discussed above will be among the main legislative undertakings of Congress in 1959.

Overall, 1959 promises to be a year of great economic growth at home, and also a year of tension and un-certainties on the international front.

#### A. E. STALEY, JR. Chairman of the Board,

A. E. Staley Manufacturing Company

The overall business outlook is much brighter than it was only a year ago and in many respects the recovery was more spectacular than the recession. The old year turns out not to have been so bad after all, and business should benefit in the new year from

recent experience and the nation's rising economic confidence.

The A. E. Staley Manufacturing Co. expects to participate in what appears to be a better level of business activity now emerging. Al-though the corn refining industry is more recession resistant than many activities and doesn't fluctuate readily with economic cycles, it is affected in some degree. Thus the prospective improvement in general business conditions should have a favorable and beneficial effect on our operations.

A. E. Staley, Jr. Supplies of both corn and soybeans are abundant, with all-time record harvests during the past season of these two principal

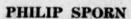
raw materials of the Staley Company. During 1958, the company's corn division maintained volumes near those of the prior year and the net profit was somewhat improved. The company's soybean division continues to share in record demand for meal, and has thus far succeeded in finding outlets for the tremendous production of soybean oil resulting. The net effect has been somewhat more favorable profit margins in this division during the early months of the current fiscal

Continuing growth of the nation's food industry, keeping pace with gains in both population and living standards, provides increasing markets for the company's food and feed products. Renewed momentum in other lines offers improved potentials for the company's nonfood industrial products.

With the American consumer demanding new and improved products for both individual and industrial use, Staley's research program continues to grow in size and scope. Market development is underway on several new

Aggressive advertising promotion will continue for the company's grocery products under plans recently completed for the new year. Two, "Sta-Flo" liquid laundry starch and "Sta-Puf" rinse, a fabric softener, lead all such products in their field. Promotion plans are also being made for "Hip-O-Lite" marshmallow creme, a recent acquisition joining Staley's line of grocery items.

In sum, we expect a higher level of general activity in the nation's business, with renewed growth potentials. The Staley Company plans to participate fully with greater production, sales, research and product development capabilities.



#### President, American Electric Power Company

Although it was April before most indices of economic activity in the year 1958 reached their bottom point and it was not until several months after that that there was clear evidence that the recession was on the way



Philip Sporn

to being ended, the utility industry in 1958 continued to provide an impressive demonstration of its strength and vigor to justify the confidence of its managements in its continued dynamic growth and development. While the industry's kwh input and sales showed a relatively low percentage increase of 1.7% for the year owing to the reduced levels at which all industry was operating through most of the year, peak demand, because of the pick-up at the end of the year, was up by 8.2%. The industry, with confidence in its long-term growth trend, continued its expansion program. Some 14 million kw of capacit were added.

with total construction expenditures of \$3.8 billion by the investor-owned share of the industry setting an alltime record. The year ended with the industry having a capability of close to 150 million kw. And to cap this series of impressive performances there is the record increase in net income by the investor-owned companies of some \$107 million, or 7.5% above 1957.

On the American Electric Power Company system, performance was perhaps even more impressive. Thus, as against a utility system increase of 1.7% in energy output, the American Electric Power Company system ended the year with an increase to 24,860,000,000 kwh over 1957's 23,580,000,000 kwh, or a percentage increase of almost 5.5%. Sales increased slightly more as to percentage, and peak demand reached a figure of over 4,330,000 kw, or 9.6% above the 1957 figure. System capability was increased by close to 850.000 kw to bring

the total at the end of the year to 5,432,000 kw.

A number of other records in performance were established on the American Electric Power Company system in 1958. For the first time in the history of the Company, net income above \$5,000,000 in a single month was achieved. System transmission losses were reduced to 8.5%, and the average system thermal efficiency of its steam-electric stations was increased to over 34%, or a figure below 10,000 Btu per net kwh generated.

On the basis of an expected Gross National Product of some \$455 billion and a Federal Reserve Board Index

of Industrial Production of 145 in 1959, it would appear that the utility industry generation will, in 1959, reach a new record level of 690 billion kwh, and a peak deof 130 million kw. These are increases of 7.6% and 8.3%, respectively, above 1958. Gross revenue of the investor-owned companies should climb to \$8,900,-000,000, an increase of 5.8%. Net income should show an even better gain with a figure of \$1,650,000,000, or 7.6% above 1958. Construction expenditures of the investor-owned companies promise to stay very close to the figure of \$3.8 billion.

Vol

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On the American Electric Power Company system this general improvement in the industry should be reflected by somewhat amplified figures. Thus, system input should reach a total of 29.1 billion kwh and system sales a total of 26.9 billion kwh, or increases of 17.8% and 19%, respectively. The peak demand on the system in 1959 is expected to reach 4,750,000 kw, or an increase of 9.7%. System transmission losses should, for the first time, break through the figure of 8% to an expected low of 7.7%. In other respects, also, the system should show further improvements. As a result of intensive sales campaigns to promote major electric appliances, electric heating, and the all-electric home, average electric energy consumption for residential customers on the system should increase to 4,150 kwh, some 550 kwh, or over 15%, above the national average.

During 1959 the American Electric Power Company system will continue to bring in the capacity projected as part of its \$800,000,000 expansion program begun in 1956. An additional 540,000 kw gross capability will be added which, after some retirements, will increase system capability by 490,000 kw net, to a total of 5,920,000 kw. Reserve capacity as a percent of peak demand will not decrease nationally until 1960 and 1961.

Nineteen-fifty-nine will also be outstanding, both in the industry and in the American Electric Power Company system, for the stress that will continue to be placed on research and development in generationboth conventional and nuclear-transmission, distribution, and in utilization. And results in all of these areas, along with the general improvement in economic activity that will continue on a moderate scale throughout the year will not only bring the industry back close to its historic trend of growth and development, but should also materially improve the operating margin or rate of return. The electric power industry will thus not only continue to offer the greatest economic bargain to the consumer, but it should continue to merit the confidence of the investing public that is so important to the industry if it is to continue to do the kind of job that it has been doing these many years. This I believe will be especially so on the American Electric Power Company system.

#### FRANK STANTON

#### President, Columbia Broadcasting System, Inc.

National television advertising billings will increase by close to 10% during 1959. National radio advertising volume at CBS will also grow in 1959. These predictions are based upon the history of advertising billings during the last decade and especially during the recession of 1957-1958.

Although national advertising fell 9% by September, 1958, television continued to grow during most of the recession and through the ensuing recovery. Television network business increased in the first half of 1958 and through most of the third quarter, with only a slight decline in September, which was followed by a rise in October to the highest levels in history.

National spot television billings grew in each of the first three quarters of 1958, with the third quarter reaching record levels. National spot radio advertising volume fell during part of the recession but by a much smaller percentage than the major print media.

The print media, on the other hand, felt the recession severely—with magazines falling 16% in advertising volume; newspapers, 17%; and business papers, 12%. Only network radio volume followed the print media pattern.

With the rise in the economy in 1959 that is now clearly foreseen, national advertising undoubtedly will again increase, as it has done consistently throughout the postwar period. We are now expecting a rise of at least 4% in total advertising in 1959, with the increase in national advertising probably exceeding this figure by a substantial margin. Indeed, the latest reports at the time of this writing (covering October, 1958) indicate that national advertising has already recovered to the highest levels

The major doubtful element for 1959 is reflected in the informed estimates that the printed media have only a 50-50 chance of recovering their 1957 positions.

The increases in national television advertising, however, will exceed by significant margins the expected increase in overall national advertising, the increase in both network and national spot television billings probably reaching 10%.

At CBS, national radio advertising volume in 1959 will resume its interrupted growth, with both national spot radio and network radio sharing in the gains.

#### LOUIS STEIN

#### President, Food Fair Stores, Inc.

The inherent vitality of the free enterprise system was never more convincingly demonstrated than by the retail food industry during the past year, and perhaps none now affords greater promise for the year ahead.

As in the set-backs in our domestic



economy in 1949 and 1954, this industry once again exhibited its apparently irrepressible vitality even when the general industrial recession reached its low point. As a result, retail food sales for 1958 should aggregate nearly \$50 billion, up from \$47.7 billion the previous year. This is the largest ever, and even though retail prices of some basic foods may be lower than in 1958, a further rise in the total sales volume seems assured for: 1959, particularly with continued improvement forecast in the economy. That supermarkets will continue to ac-

count for an increasing share of the total is certain. The retail food industry's outlook is brightened by our rising population and by the indicated further expansion of our economy. Births and immigration will swell our population in 1950 by close to 3,000,000 net. Rising automobile sales, continuing gains in housing starts, huge defense outlays, and the current spread of recuperative forces to the machinery and other capital goods fields assure thereased industrial other capital goods fields assure thereased industrial production and factory payrolls. It is apparent that the rise in consumer incomes, achieved in recent months, will continue into 1959, enhancing consumer purchasing power. With consumers spending about 22% of total disposable income on foods, an increase in retail food sales in general is to be expected.

This prospect indicates the fine opportunities to be afforded supermarket operators during the year ahead. But to the alert supermarket merchandiser it constitutes a serious challenge, also. The challenge lies in the vital necessity of preserving for the American housewife the great advantages inherent in sound supermarket opera-tion. If these advantages are to be maintained the constant goal of every supermarket operator must be the utmost efficiency in every segment of the business. This means holding the line on profit margins in the face of rising operating costs.

The diligence with which Food Fair Stores, Inc. has stressed these critically important factors has been contributing to the Company's uninterrupted growth. As the year closed, there were 380 supermarkets in the Food Fair chain which extends over a nine-state area from Connecticut to Florida, inclusively. The company's pace of expansion in closing months of the year was stepped up to an average of one new market per week.

Since April 26, the start of its current fiscal year, Food Fair completed and opened 34 supermarkets under its construction program, with an additional 12 or so to be opened by next April. This compares with a total of 34 opened in the 1957 fiscal year.

Thirty-one markets are now under construction or about to go into construction, and many other units are

in the blueprint stage. The company's sales and earnings in fiscal 1958 were the largest in the company's history. Food Fair sales are now running at an annual rate of approximately \$800

home and industrial construction picture ahead, transmission and distribution equipment will be required to meet a rise in power demands.

Construction machinery sales which hit a low in 1957 continued this trend in the early part of last year. However, in the last quarter of 1958 the effects of the new highway program on the construction machinery business began to become evident.

Activities of our International Division followed the general trend of the United States world trade with the sales volume off slightly from 1957.

Several factors accounted for this result. First, the slowdown of business in the United States early in 1958 was felt abroad. Second, the political unrest in certain foreign countries reduced the trade in those areas. Third, competition became greater with other nations which have been increasing their own manufacturing facilities.

Another major factor was the dollar shortage in foreign countries, which to a certain extent resulted from reduced purchases abroad of raw materials for the economy of the United States.

Present business indicators lead us to believe that the Gross National Product in the United States will continue its current upward trend and that we should be heading for a cycle of steady growth generally.

We feel that in 1959 farm equipment, power and industrial sales should be good and construction and construction machinery sales should continue to improve.

#### ROBERT E. STRAUS President, American National Bank & Trust Co. of Chicago, Chicago, Ill.

The outlook for banking depends upon developments in our economy. Several statistical series have, over a long period of time, successfully forecast the trend in general business activity. Their current behavior suggests that the course of overall business in coming months will be an upward one. Areas of present or potential strength in 1959 include such important segments of the economy as private construction, government spending, business inventories, and consumer spending.

According to recent forecasts by government agencies, private construction will rise again in 1959, with the principal strength coming in residential construction. In the area of business spending for plants and equipment, the latest SEC-Department of Commerce Survey indicated that a low point was witnessed in the third quarter of 1958. However, in view of the excess capacity apparent in a number of basic industries, only modest improvement is expected in capital spending in 1959.

Federal spending will likely run higher in 1959 because of stepped up defense expenditures and other nondefense programs such as price support operations resulting from bumper crops, an expansion of public works, higher government salaries, bigger housing programs, the atomic energy program, Federal aid to education and other anti-recession measures. State and local government spending will surely increase, judging from the

record number of bond issues approved in the November

As in the previous postwar recessions in 1949 s 1954, the 1958 recession featured a sharp reduction business inventories. Latest available figures show inventory liquidation was continuing in October but a declining rate. It appears reasonable to expect an a reversal of trend, with accumulation becoming a position of the accumulation of the accumulation of the accumulation becoming a position of the accumulation of the accumulatio force in the economy in 1959.

Disposable personal income was maintained at a rela tively high level in 1958 and will reflect the upwarbusiness trend and higher wage rates in 1969. Recent the strength in retail sales suggests rising confidence on part of consumers. The exact pattern of consumers me kets in 1959 will depend to a considerable extent upon the success of automobile sales.

The banking industry is, therefore, likely to face a rising demand for both business and consumer loans, indicating further upward pressure on short term interest rates. The ability of banks to invest at higher yields should provide an offset to rising operating costs.

#### CHARLES M. STURKEY

President, Washington Natural Gas Company

Springboard from the "flying fifties" to the "soaring sixties"—that's the way Washington Natural Gas Company officials view the Northwest natural gas growth potentials for 1959. The dynamic growth of Washington Natural Gas Co. is best indicated by the following figures: In July 1956, customers totaled 44,757 of which

36,070 were residential and 8,667 commercial and firm-use industrial Nov. 30, 1958 there was a total of 60,299 customers, of which 47,827 were residential and 12,366 were commercial and firm industrial.

In a single day in 1958 the Scott Paper Co. of Everett used more natural gas than the entire peak-day output of the old Seattle Gas Co. in 1955. Residential use is three times greater than in 1955. Two vital factors, Boeing and new residential-industrial construction,

have contributed immeasurably to a record 1958 sales, bolstering public confidence and encouraging commercial and consumer investment.

Charles M. Sturkey

Boeing Airplane Co.'s employment reached a record 70,000 in Washington State this year. This is 1% above the previous 1957 high and 48% above World War II peaks. The energetic Boeing management team, with a reported backlog of \$3 billion in orders for commercial and military aircraft, is ably bridging the gap in transition from the military emphasis on aircraft to more sophisticated weapons systems—for example the Minuteman second-generation intercontinental ballistics missile and the Dyna-Soar boost-glide vehicles now under Boeing-assisted development. Boeing is an important natural gas customer.

New construction, residential and industrial, has contributed materially to 1958 natural gas gains in the Northwest. Secondary gains are being felt in other major

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#### ROBERT S. STEVENSON President, Allis-Chalmers Manufacturing Company

Our sales for 1958 will probably be a little below those of 1957 although the profit margin should be better. In the last six months of the year, sales improved. however, they did not quite reach the level to overcome

the slow start earlier in the year. Almost all of our lines except farm equipment and power generating equipment were affected by the economic downturn earlier in the year. Shipments of heavy electrical equipment held fairly steady and farm machinery sales were well anead of a year ago.

In farm machinery, the ending of the drought in the southwest and the record wheat harvest were two big factors that contributed to making farm implement sales eminently satisfactory.

Better crops in the southwest and midwest along with better markets

meant increased income for farmers, enabling them to buy more farm equipment. The fact that the trend toward increasing mechanization by farmers is sure to continue should make 1959 a good year for farm equipment, too.

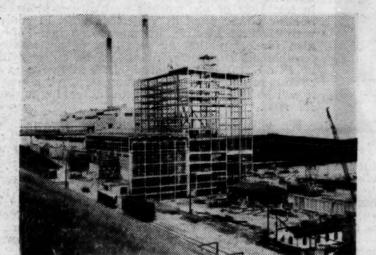
In the power business, generating equipment held up fairly well while other electrical equipment reflected the drop that came from inventory reductions.

Modernization and expansion moves contemplated in the power industry during 1959 and the immediate years ahead indicate that a steady increase in power generating equipment bookings can be expected. While our shipments and large unit construction reached an alltime high for power generating equipment in 1958, backlog lagged slightly from the previous year.

Transmission and distribution equipment need is ex-

pected to follow the general pattern set by power generating machinery. As modernization and expansion of basic facilities takes hold in 1959, transmission equipment must be added or replaced. With a brightened





Oak Creek power plant is the newest and most modern of Wisconsin Electric Power Company's generating facilities. A fifth unit now under construction will add 250,000 kilowatts to the plant's present capacity of 500,000 kilowatts already the largest in Wisconsin.

Electric power and progress go hand in hand. Progress makes power mandatory . . . power makes progress possible.

The Wisconsin Electric Power Company 1,710,000 in 386 communities of Wisconsin and the upper peninsula of Michigan, Included is Milwaukee, America's 13th largest city, whose metropolitan area ranks eighth in the nation in industrial output. Milwaukee is investing millions to improve its fine harbor facilities and to prepare for the day when world traffic begins to use the new St. Lawrence Seaway.

Extending far out from Milwaukee into our service area are transmission lines serving factories and business establishments complete communities with many all-electric homes — and many modern electrified farms. Supporting growth in all these areas is our expansion program which recognizes that progress and power must go together.

WISCONSIN ELECTRIC POWER COMPANY SYSTEM

POWER & PROGRESS

go hand-in-hand . . .

Northwest industries, such as lumber and plywoods plants, both big natural gas customers.

The company takes equal satisfaction in the reception natural gas has been given for heating low-cost housing projects in the area. In Seattle the housing projects with 254 and 596 units, have already been converted to gas and the large 1,250-unit High Point Project is in the process of conversion. Other projects in Tacoma, Auburn and Everett add to the low-cost housing units converted.

Community builders in large residential tracts on Seattle's outskirts are using gas wherever it is available. Some have reached the 100% mark while others average

closer to 90% gas unit sales.

The increasing public attention and publicity surround "smog" has been instrumental, along with economical considerations, in converting the majority of Seattle hospitals to gas heat. The City of Seattle's asphalt plant has been converted to use natural gas and the elimination of smoke and soot and air pollution was one of the principal factors in the city's decision.

Washington Natural plans to invest some \$5,500,000 in 1959 for construction. The company had a total plant investment of \$20,700,000 in 1955, preceding the introduction of \$20,700,000 in 1955, preceding the introduction of \$20,000 in 1955, preceding the introd duction of natural gas. Investment will exceed \$28,000,-000 at the end of 1958. Nearly \$21,000,000 has been spent since 1954 to improve and enlarge the company's system to better serve the public.

#### The Northwest - Gateway to the 49th State

Historically, Alaska has played a part in Seattle and Northwest growth. The addition of the 49th State has resulted in unprecedented publicity and a new national awareness of the proximity of this great area, rich in natural resources. Washington Natural's five counties. containing more than half of the state's population, surrounds the "Gateway to Alaska," stand to gain additional tourist dollars as well as increased industrial interest with the added exploitation of the new state's interest with the added exploitation of the new state's rich natural resources.

The management of Washington Natural is optimistic about the future, based upon the performance of the past two years. The average natural gas heating customer paid \$138 in 1958 compared to the same customer who paid \$233 in 1955 while using manufactured gas. A similar pattern of saving is revealed in the industrial field where company statisticians estimate the 106 industrial firms now using natural gas are saving more than

\$2,000,000 annually over their previous fuel costs.

National factors such as Whirlpool's acquisition of Servel has resulted in an increased tempo of modern merchandising methods in gas appliance sales. The additional emphasis on gas refrigerators, dryers, and other gas appliances may be expected to increase consumer demand for natural gas in the Northwest. The metamerphis of the gas industry born in the antiquity of the blacksmith and foundry school to the more sophisticated world of molecules, satellites and super market merchandising will be apparent in 1959.

In a vigorous western economy, where expanding populations, high employment and new construction are making their stabilizing influence felt-1959 is truly the rising springboard to the "soaring sixties." We expect to make substantial long-term business gains during this

coming year.

#### HENDERSON SUPPLEE, JR.

#### President, The Atlantic Refining Company

The 1958 recession with its lower level of industrial activity, a poor record of automobile sales, and a decline in housing starts during the early months contributed to a disappointing year for the oil industry. Demand

for petroleum products in the United States increased only 2.3% over 1957 as against an annual average increase of about 5.5% during the prior five year period. Furthermore, export sales returned to normal, about half their rate a year earlier when United States oil replaced Middle East supplies lost to Europe while the Suez Canal was closed. As a net result, the 9.3 million barrels of oil per day supplied by the United States oil industry in 1958 represented a decline of about 1% from the previous year.

The need to work off surplus inventories of both crude oil and products resulted in further curtail-

ment of industry operation, with crude oil production declining nearly 7% from the year before, and refinery operations off more than 4%. This excess supply and idle capacity drove prices sharply downward during the year. For example, cargo prices at the Gulf Coast, the industry's leading bulk market, averaged 9% less than in 1957.

H. Supplee, Jr.

The outlook for 1959, however, is considerably brighter. With the expected continued improvement in the general economy, demand for petroleum should show a gain of nearly 5% over 1958 provided temperatures during the heating season are not abnormal. To meet this demand, refinery output will need to be increased nearly 6% and the production of domestic crude oil almost 7%. The influence of this demand may also advance product prices to more normal levels, though it is doubtful that 1957 price levels will be regained.

Capital expenditures by the oil industry dropped substantially in 1958. This was caused in part by sharply declined earnings which made necessary the deferral of some capital projects. For example, total expenditures by The Atlantic Refining Company in 1957 amounted to \$120 million as against about \$90 million in 1958. To a large degree this reduction was also the natural aftermath of very high capital spending during the previous several years. With the more encouraging outlook for petroleum demand in 1959 we can expect capital spending to pick up moderately once again.

An important issue which clouds the 1959 horizon for some of the major oil companies along the East Coast, including Atlantic, is the question of imports of foreign crude oil. For many years these particular companies have engaged in intensive programs of searching for and developing new sources of foreign crude. Huge investments have been expended in these foreign crude production efforts — fleets of supertankers have been built to provide economical transportation of the crude on long ocean hauls-and much of the equipment in our refineries has been designed to process the special types of crude oil available in quantity only from abroad.

It is obvious, therefore, that continued access to foreign supplies is vital to provide a fair return on these investments and, in turn, assure low consumer prices for oil products in our marketing area. For this reason Atlantic and other oil companies similarly situated in the Delaware Valley area were deeply concerned when the Federal Government proposed to revise the crude oil import formula by a provision that would redirect foreign oil from the refineries here to other areas where domestic crude is more economically available.

The Government has decreed that a limitation on crude oil imports is needed in the interest of national defense. We do not wish to dispute this. We do firmly maintain, however, that such crude as may be imported in the national interest should be delivered to the areas where the crude has been used historically, where important sums have been invested for facilities to transport and process this crude and to assure access to reserves abroad, and where the use of foreign oil can provide consumers with the greatest saving. We believe that the unique role of these companies in the Delaware Valley should receive recognition when import quotas are assigned.

#### NORMAN R. SUTHERLAND President, Pacific Gas and Electric Company

Our service territory in Northern and Central California is expected to have a population increase of about 215,000 during 1959, bringing the total to an estimated 6,525,000. This will mean thousands of new customers

and continually enlarging industrial and residential demands. Therefore we are gearing our organization to meet the substantial sales increases

which we expect.

The impact of the business recession on the company's business in 1958 was relatively mild. For example, industrial power sales for the year increased about 5%, and in no single month during the year did sales to this class of customer fall below the corresponding month of

the previous year.

During 1958 we spent \$186 million on expansion. We have budgeted \$156 million for enlargements in the the coming year. In 1958 we estab-

lished a company record for new electric generating capacity installed, adding 665,500 kilowatts to put our present total at 5,219,000 kilowatts, largest of any investor-owned company in the nation. We anticipate the need for 10 million kilowatts by 1970, and corresponding increases are in prospect for our natural gas system which already has peaked its daily deliveries at more than 1,800 million cubic feet.

Several technological advances have created much interest in our company. Following the initial operation in late 1957 of the world's first all-privately-financed nuclear power plant at Vallecitos, built in conjunction with General Electric, we announced last February a plan for completion by mid-1862 of an economically feasible nuclear power plant. To be entirely financed by PG&E, this will produce 60,000 kilowatts of energy at costs competitive in the Humboldt County area where it will be constructed. The groundbreaking is scheduled

We will break ground this year for a 12,500-kw. geothermal plant, using the steam from natural geysers to spin a turbine-generator. Additional units will be installed if more steam wells are developed.

High in the Sierra Nevada, we have begun operation of America's first major underground power plant, a hydro-electric installation with 128,000 kw. capacity. This plant is situated 2,000 feet back and 500 feet down in a solid granite mountain and was built there purely for reasons of economy in construction and operation.

While the power field attracts major attention, we are continuing to record impressive advances in our natural gas operations. Of prime interest here is our project to import more than 400 million c.f. daily from the Province of Alberta, Canada, to the California market. This will require a 1,300-mile pipeline, and we have filed applications for governmental authorizations in Ottawa, Calgary and Washington, D. C.

This line would provide a new source of natural gas for our customers. Since 1950, we have depended on Texas and New Mexico fields to augment supplies from California wells.

We look forward to a busy year not only in meeting our day-to-day growth but in planning for the future.

#### JAMES M. SYMES

#### President, The Pennsylvania Railroad Company

The year 1959 can be one of great progress toward putting the transportation industry as a whole on a self-supporting and prosperous basis. The tangible results of such progress, however, will be more visible in future



James M. Symes

years than in the calendar year of 1959. Roads like the Pennsylvania which render a large share of the industry's money-losing passenger and commuter services and compete most directly with publicly supported air, waterway, and highway transport at best can hope to do little better than earn a small return on their investment even with the expected pick-up in freight volume.

A good start was made toward putting the industry on a more sound basis by the enactment of the Transportation Act of 1958 and by Senate Resolution 303, which accompanied it. The Act, which was overdue by some 25 years, to some extent unri, to It are the hot ci es

locks the door to equalization of government regulation and treatment of transport; the resolution commits Congress to a full and frank examination of the whole transport picture, with a view to analyzing and correcting the more glaring and harassing inequities. To the extent this is done, and done quickly, the public and the economy will thereafter have the benefit of a truly competitive transport system, and the railroads, admitted as full and equal members of the system, will be able to do the job they should be doing for the public, the shipper, the traveling public, the furloughed railroad employee, the railroad supply industry, the general economy, and the stockholders

A railroad like the Pennsylvania has two major assignments for 1959. One is the immediate business task of maintaining quality of service and earning what return it can in the present situation. The other is to continue to work toward the removal of inequities, for the public's benefit and its own corporate health. Any less frank concept of the year ahead would not be realistic.

#### GLENN W. THOMPSON President and Chairman of the Board, Arvin Industries, Inc.

There's a spirit of optimism about business prospects for 1959 which was absent a year ago. Most business leaders, having learned some important lessons during the recession, now have their houses in order. They're

determined to make up for some of the ground which was lost in 1958. In the past 12 months they've reduced break-even points and discovered anew that expenses can be cut, and drastically, when that becomes an absolute necessity. Above all else, they've conditioned their thinking to the fact that the new year will be one of keen competition from January through December.

Nineteen fifty-eight offered an excellent opportunity for future planning and in the well operated company that encompassed every division and department of the business. New products were developed through research, new manufactur-



Glenn W. Thempson

ing methods were devised to cut plant operating costs and improve quality, and new techniques in marketing were tested and proved out. It is our observation that not since 1954 have so many industrial concerns been as well prepared to design, produce, and sell their products as they are at the beginning of 1959.

Of course, the skies are not without some clouds. Actually they're to be expected and the businessman who does not prepare for them is most likely to be surprised sometime during the year. The cost-price squeeze about which so much has been said and written will remain throughout the new year. And, as usual, there's the apprehension about what laws Congress and the various legislatures may see fit to enact. Too, the possibility of big strikes in basic industries such as steel must be considered in making any realistic appraisal of the prospects for the coming year. Finally, some firms must work out solutions to problems presented by foreign imports. Somehow or other the American businessman will successfully meet these challenges. He always has met challenges and let us hope he always will.

Historically more than 50% of Arvin's volume comes from the sale of parts and equipment to principal motor car manufacturers of the nation. The drastic decrease in the demand for passenger cars in 1958 affected our volume and profits. However, with estimates that some 25% more automobiles will be built and sold in the next 12 months, our prospects in this area are much brighter. Any upturn in the replacement parts business of the automobile manufacturers also will affect favorably Arvin's position. In the meantime, our Automotive Division has established a new department for producing plastic tools for use in our own plants and by other manufacturers. Further expansion of this division into an entirely new field is planned during the first half of 1959.

In our Consumer Products Division we manufacture radios, portable phonographs, electric heaters, electric fans, heaters for automobiles, leisure type furniture of

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## Don't Force American Labor To Start a Political Party

all right to give subsidies to the community. It would be much airlines through postal grants, so nicer. that we could develop a domestic For airline system which would help the American airplane industry move forward as a national defense measure.

ton farmers, millions of dollars. It's all right for someone to buy an abandoned lead mine in Colorado and then get \$3,500,000 from the government to reactivate it so he could bring lead out and sell it to the government. That's not so-cialistic, that is not the socialistic expenditure of public money.

a pint of milk in school every day in a situation when the child does not get proper nutrition at home, the limit of our political activity. that, too, becomes socialistic.

Well, for my part, if what we have been doing is socialistic, then I am going right on being social-

#### Current Labor Problems

We have some problems that relate directly to labor. We have the question of the passage of the Kennedy-Ives bill or similar legislation in order to enable labor to help protect itself from racketeers and those who would misuse Hartley. their trust and misuse the Tunds entrusted to their care.

We have the whole question of Taft-Hartley, the question of amending the Taft-Hartley Act so that we know what a boycott is, so we know what a secondary boycott is, and we know what is a legitimate action on the part of labor to defend itself.

Yes, also to amend Taft-Hartley as took place in the O'Sullivan not so long ago, where the work- states of the nation. ers went on strike, strikebreakers tion election was held, and the ununion members could not vote country, to the point where we They were disenfranchised under really dedicated ourselves to the the terms of the Taft-Hartley Act.

This is the particular section of the law which President Eisenhower, at that time a candidate for President, in 1952, right in this here we found out that labor cancity, in September of that year, not only get the votes of its own pledged that he would try to eliminate. This is the section of the story and is on the right path, it law that bars the economic striker can attract, without question, the from voting in an election after majority of votes of its neighbors. a strike takes place. This section is still in the Act.

ment on the question of union se- of California. curity. In addition, there is still Now, that means that labor was have 19 states now with right-toproblems.

#### **Evolution Into Political Activity**

Talking about legislation, talking about right-to-work, naturally brings us up to the question of political action. We have heard some real screams, these last few weeks, from some of our friends in big business and some of our little politicians in big positions, real screams about labor actions.

Well. I don't think anyone should misunderstand labor's political policy or labor's political philosophy. I, for one, would like it much better if we didn't even have to talk about politics. I would like it much better if we could just politics. talk about our relations with the

For a long time a good many people in the trade union movement, the majority of our people, let us say, in the trade union movement, felt that we didn't have That was all right. And, it's all to talk about politics. We had a right to give subsidies to the cot-policy, a very practical policy, that you would try to elect people who were friendly to you and try to defeat those who didn't believe in the things in which you believed. And as far as we were concerned -I speak now of the AFL in particular-we discharged our obligation on that policy by writing a Rependiture of public money. letter to the people who we were But when you try to give a child friendly with early in the campaign and telling them that they had been endorsed, and that was

> However, in 1947 we were given lesson. After having come through the greatest war in history, after having made a contribution second to none in producing and out-producing the Axis defeated. powers, and making a contribution that could not be over-exaggerated, to the eventual victory of the allies, we had a Congress come in which decided that this was the time to crack-down on labor. And they passed Taft-

When they passed it, we didn't have any trouble knowing why, they had the votes and we didn't So there was a re-evaluation, let us say, of labor's political role. And for ten years now we have been active in the political field. We dropped the philosophy, or the policy, let us say, of sending merely a letter, and decided that we had to go out and work at the so that we can eliminate the pos- precinct level, work at the local sibility of situations arising such union level to bring about a better situation in the legislative halls Rubber Heel factory in Virginia in Washington and in the various

The recent campaign indicates were hired, and after the strike- that we are becoming more and breakers were hired a decertifica- more proficient in the field of politics. Frankly, if labor ever beion received no votes because the came really class-conscious in this political field, we would hold the balance of power without question.

The recent campaign proves this matter where it comes from. beyond question to me, because people, but that when labor has a

In California, where the rightto-work proposition was defeated There is also Section 14(b), the by approximately 1,000,000 votes section which allows the states to -labor was victorious on that pass right-to-work laws and go question which was on the ballot further than the Federal Govern- in 55 of the 58 counties in the state

a fight on right-to-work laws. We victorious in the rural communities, in the farming communities, work laws. We have a few in in every single county except three which we think we can bring about in the entire state. And that proves repeal, and that is still one of our that if labor is put to it in the political field, that they can be just I have always said that we as efficient, if not more efficient, didn't need our own political than perhaps those who have dedicated their lives to the study of themselves do not have.

#### **Business Is in Politics**

Now we are getting the screams of big business. The representa-tive of the NAM is going around the country — he is from New York here—a little man with a big title and a lot of money that he inherited-and he is telling William R. Staats & Co., 640 South business they must get into

employer, about the problems of that the businessman has not was previously with Daniel our workers on the job, about the been in politics. Well, we know Reeves & Co. Mr. Murrell was problems of our workers in the he has been in politics. And my with Dean Witter & Co.

advice to the business community and this is sincere advice-is that if they want to be successful politically, to whatever extent they are able to be successful, they had better follow the old method, send their money in and stay the hell out themselves.

Because that is the method they have been following for years, that is the method which we have had to meet. You see they have money, but we have people. And in a contest between money and people there is no doubt about the result. We represent hundreds of thousands of workers, and if the contest were between money and people—and that's what it was— over the years the trade union movement would have been destroyed many, many years ago.

Also we have the screams of ome of the big politicians. The Postmaster General, a little ward heeler from Detroit—he is going to crack down on us. He is screaming, some of his friends got defeated, and they blame it on rightto-work. They wouldn't have been defeated if there had not been a right-to-work campaign.

Well, who started the right-towork campaign? We didn't. It's the same friends of his who were

So as far as I am concerned big business, and little people in big political office, can continue to scream. As far as I am concerned, kesha office will be Robert S. New York City, members of the labor is going to continue to fight Johnson, of Menomonee Falls. New York Stock Exchange, on for a better America. That is the Franklin E. Parks will serve as Feb. 1 will admit Lucy S. Ulman best possible defense for the a registered statement. best possible defense for the United States in this so-called economic war with the forces of dictatorship, and a better America means that you approach your problems and make your decisions on the basis of human values involved.

Yes, we are going to continue to try to raise standards, we are going to continue to try to get a fair share of the wealth that we help to produce under this American system We are going to continue to try to see that our children get better schools and better homes in which to live, and we are going to continue to try to see that all Americans, regardless of race or color of their skin, are treated as equal under this country's laws.

These are the ways that you make democracy work, and by making democracy work you meet the challenge of dictatorship no

#### Threat to Form Political Party

So, to our friends who are worrying about labor's political activities, I say labor is going to be just as political as it has to be in order to carry out its objectives. If what we have in COPE isn't good enough, if we have got to go further in order to carry out the simple objective of advancing the standards of life and of work of the people we represent, of making America a better place in which to live, in making America better fitted to stand up for democracy as the leader of the free world, if we have got to do that, we will take the next step, if it is forced on us.

I have always said that we party-I still say so. But I also say that if we come to that point politics, because we have certain in order to combat these people natural advantages in this field who want to drag us back into the that even the political parties past, we will start a political party, and we will do a good job

#### Two With Wm. R. Staats

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.-Richard L. Daugherty and G. Curtiss Murrell are now associated with olitics. Spring Street, members of the New York and Pacific Coast Of course the premise here is Stock Exchanges. Mr. Daugherty

## Morton Globus to Be **Sutro Bros. Partner**

Morton Globus on Feb. 1 will become a partner in Sutro Bros.



Merton Globus

& Co., 120 Broadway, New York City, members of the New York Stock Exchange. Mr. Globus, prior to joining Sutro Bros. & Co., was with Dreyfus & Co.

#### New Waukesha Branch

WAUKESHA, Wis. - The Milwaukee Company, underwriters and distributors of investment securities, will open a new branch office at 744 North Grand Avenue, Jan. 15, 1959, it was announced by Joseph T. Johnson, President.

Resident Manager of the Waua registered representative.

## A. V. Stout Pres. Of National Shares

Varick Stout has been elected President of National Shares Corporation, a closed-end investment company managed by Dominick & Dominick, it has been announced.

Mr. Stout, senior partner of Dominick & Dominick, succeeds Ranald H. Macdonald of the same firm, who has been President of the corporation since 1952. Mr. Stout is a director of National Distillers & Chemical Corporation, C. H. Sprague & Son Co. and the North British Insurance

Hollis K. Thayer was elected a director of the Corporation to replace Mr. Macdonald.

#### Joins Eaton & Howard

LOS ANGELES, Calif.—Dwight P. Phillips, Long Beach, Calif., has become associated with Eaton & Howard, Incorporated, Boston Investment Counsel firm. For the past two years he has been an Account Advisor with Dean Witter & Company. He will represent Eaton & Howard in the Los Angeles area.

#### Hawkes Co. to Admit

Hawkes & Co., 30 Broad Street, to limited partnership.

## CENTRAL ELECTRIC & GAS COMPANY

and Subsidiaries

SUMMARY OF CONSOLIDATED EARNINGS

	12 Months Ended September 30	
Calculate to be and with the project	1958	1957
Operating Revenues: Telephone Gas Electric	\$23,550,269 16,925,512 906,898	\$21,444,096 15,322,901 966,890
Total	\$41,382,679 35,541,700	\$37,733,887 32,238,301
Net Operating IncomeOther Income	\$ 5,840,979 130,586	\$ 5,495,586 125,908
Net Earnings	\$ 5,971,565 1,783,973	\$ 5,621,494 1,453,321
Net Income before Minority Interest Minority Interest	\$ 4,187,592 1,830,280	\$ 4,168,173 1,911,231
Net Income for Central Electric & Gas Company	\$ 2,357,312 243,107	\$ 2,256,942 245,381
Preferred Stock Dividends  Balance for Common Stock of Central Electric & Gas Company	\$ 2,114,205	\$ 2,011,561
Earnings per Common Share on number of shares outstanding at end of period	\$1.49	\$1.48
		Party Control of the

## CENTRAL ELECTRIC & GAS COMPANY

SUMMARY OF CORPORATE EARNINGS

Operating Revenues: Gas Electric	\$16,925,512 906,898	\$15,322,901 966,890
Operating Expenses and Taxes	\$17,832,410 16,233,617	\$16,289,791 14,917,184
Net Operating IncomeOther Income (including dividends from subsidiaries)	\$ 1,598,793 872,321	\$ 1,372,607 736,401
Net Earnings	\$ 2,471,114 551,731	\$ 2,109,008 485,107
Net Income	\$ 1,919,383 243,107	\$ 1,623,901 245,381
Balance for Common Stock	\$ 1,676,276	\$ 1,378,520
Earnings per Common Share on number of shares outstanding at end of period	\$1.18	\$1.01
Number of Shares of Common Stock of Central Electric & Gas Company out- standing at—	ed Aress	of evolved of
September 30, 1958	1,420,925	1,359,432

aluminum and steel, outdoor barbecue grills, and allmetal ironing tables. A number of new items, some unique in appearance and function, will be introduced during the year. In addition, our company will bring out a completely new line of merchandise in the architectural products field during the second quarter. Arvin already has one product in this area, this being a wall panel made of vinyl-on-metal laminate which after extensive use and marketing tests is now ready for manufacture. Other items in the architectural products field are now under consideration. In the meantime enlargement of the department which fabricates for other manufacturers vinyl-clad cases for television sets, radios, slide projectors, and similar products is under way.

New products, improved manufacturing methods, lowered cost structures, and adherence to more scientific marketing procedures are some of the things on which Arvin is relying for improved business in 1959.

#### HON. JOHN TABER U. S. Congressman (R.) from New York

For my own part, I believe that we should firmly support the efforts that the President is making to avoid any further inflation. To do this, we must avoid unnecessary appropriations and in this connection, we

must cut down on the frills and fancy ideas for construction of public buildings, and stick to just what is needed.

We must examine closely our demands for buildings and see that the unnecessary things and their proposed construction are eliminated. We must provide the military es-

ablishment with what is needed for national defense, and, at the same time, not give them things that are obsolete and can never be used. We should pass some labor legis-

lation which would tend to do away with the abuses which were developed before the McClellan Committee.

It is impossible to avoid inflation if we are going to embark on new programs for housing, so-called slum clearance and community facilities. These public housing and slum clearance projects cost an enormous sum of money, and the approach to provide funds for them is not one that is designed to cull out unnecessary activities. These projects are designed to give special privileges to certain groups of people and they are now at the point where people earning as much as \$8,000 to \$10,000 a year can qualify as tenants for these public housing projects. I do not believe there is any reason in the approach that is made to them.

John Taber

We must be very careful to see that such items as foreign relief are carefully analyzed and no more funds provided than are absolutely necessary and than can be had without unbalancing our budget. I do wish that e could get along without as many really necessary things as we seem to have to face, but we can only provide those things if we avoid the unnecessary things, and the things that are a menace to our general picture.

#### E. J. THOMAS Chairman of Board and Chief Executive Officer Goodyear Tire & Rubber Co.

In light of forecasts that in 1959 the rubber industry will have the highest dollar volume of sales in history, our company is planning a capital expenditure of \$70,000,000 for 1959, \$10,000,000 more than was

spent in 1958. This increased planned expenditure is evidence of our faith in the sound recovery of business in 1959. We believe that the part of our industry which was hit the hardest this year—the sale of tires automobile, truck and tractor manufacturers - will show considerable improvement. We believe they are going to need 25% to 30% more of these products in 1959.

Goodyear has recalled 60% of its laid-off workers and the working nours per week are now back to full five and six days. Industry inventories of raw materials and finished goods have reached their low point and are

now on the rise. No big rise in prices is anticipated in 1959, although prices for some of the industry's products did erode too much in the recession period and need to be improved.

Another important factor in the rubber industry is that of the total rubber now being consumed, close to 65% is made of various synthetics, an indication of the wide improvement and development that has been made in this field.

We believe renewal passenger tire sales will reach 62,000,000 units, an increase of nearly 2,000,000 over 1958's final figure.

For the industry as a whole, estimates for 1959 pneumatic tire production (including industrial pneumatics)

are for at least 112,000,000 units versus 102,000,000 for 1958, and a total rubber consumption of 1,500,000 tons versus 1,345,000 tons this year.

Finally, while business continued to improve in both the third and fourth quarters, it isn't likely that 1958 will quite match the company's 1957 peak sales.

#### JOHN K. THOMPSON

#### Chairman of the Board, Union Commerce Bank, Cleveland, Ohio

From an economic standpoint we had a little bit of everything in 1958. We had a reduction in gross national product from an annual basis of 445 billion in the third quarter of 1957 to 425 billion in the first quarter of

1958, then to a 429 billion annual basis in the second quarter, 439 billion in the third quarter, and the fourth quarter of 1958 will probably show a figure higher than in any previous quarter both in volume and

The principal reasons for the changes in the various quarters were liquidation of inventories, reduction in plant and equipment expenditures, and reduction in number of housing starts. It appears now that the inventory situation is approximately in balance and that there will be some inventory accumulation in increasing amount during each

quarter in 1959. Expenditures for J. R. Thompson new plant and equipment in 1959 will probably not exceed such expenditures in 1958, but there has already been considerable increase in the number of housing starts and they may total 1,200,000 in 1959.

Corporate profits for the year 1958 will probably be 20% below 1957, and it is unlikely that 1959 corporate profits will equal those of 1957 even though they should be well ahead of those for 1958. I would expect that the first half of 1959 would record slight advances over the present business rate, but that the last half of the year would build into a gross national product rate in dollars of as much as 8% higher than the record gross national product reached in the third quarter in 1957.

The economic changes in 1958 resulted in very definite effects in the money market situation; for example, the average rate on three-month Treasury Bills in December 1957 was a 3.102% basis. This rate declined to an average in June 1958 of .881%, and now is again at approximately a 2.90% basis. Because of the change in the business situation in the early part of 1958 the Federal Reserve Board reduced the banks' reserve requirements, and there were several reductions made in the discount rates at the Federal Reserve Banks. Because of lessened loan demand, there were also reductions made in the banks' lending rates early in 1958, a part of which have now been restored.

With an increased volume of business, there will be an increased use of dollars and need for them, and it would appear, therefore, that there would be an increase in loan demand in 1959, and that there would be a further increase in interest rates.

Government, corporations and individuals should concern themselves in 1959 with inflationary implications of their actions.

#### **NORMAN TISHMAN**

#### President, Tishman Realty & Construction Co., Inc.

The upturn in business confidence, which began several months ago, should be reflected in a firmer demand in 1959 for new office space for expansion purposes. Real estate characteristically follows the business trend

in general, a trend which is normally upward but which was altered temporarily by the recession of 1958.

At the beginning of the year, the management of our larger corporations were manifesting a "wait and see" attitude, anticipating that the economy would turn the corner by Spring or Summer.

Now that we have actually turned the corner, the renewed business optimism across the country has begun to make itself felt.

As an example, decisions for large space commitments which have been postponed, were put into effect as the trend once more became favorable. A growing number of corpora-

tions which have deferred their strong need for new or additional facilities began to demonstrate new confidence in the economic strength of the nation and in their own future.

Norman Tishmar

The belief on the part of some that the supply of new office space is beginning to overrun the demand is unwarranted. Throughout the first postwar decade, fears of reckless office expansion have proved groundless.

Actually, new office construction has only been keeping pace with the demand of our expanding economy. This is another indication that the balance between supply and demand is in no way being disturbed.

Furthermore, there is evidence that our economy will continue to expand at a strong rate and that additional office space will be required in order to keep pace with this expansion.

With business confidence again high, 1959 should be a bright year for real estate and construction.

#### MILTON TOOTLE

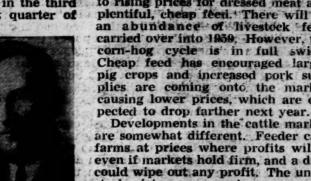
President, The Tootle National Bank, St. Joseph, Mo.

The trade area of St. Joseph, Mo., particularly in the banking field, covers a substantial part of Kansas, Nebraska, Southwest Iowa and Northwest Missouri. Agriculture is our main industry. We have experienced a very successful year in 1958 and the outlook for 1959, while encouraging, in our opinion probably will not be as good as in 1958, for the following reasons:

following reasons:

Farmer and livestock grower profits in 1958 were very good, due to rising prices for dressed ment and plentiful, cheap feed. There will be an abundance of livestock feed carried over into 1959, However, the corn-hog cycle is in full swing. Cheap feed has encouraged larger pig crops and increased pork supplies are coming onto the market causing lower prices, which are ex-

Developments in the cattle market are somewhat different. Feeder cattle have gone to the farms at prices where profits will be hard to realizeeven if markets hold firm, and a drop in slaughter prices could wipe out any profit. The uncertainties in the livestock picture are causing us some concern, particularly in the latter part of 1959.



J. R. Thompson

#### WALTER J. TUOHY President, Chesapeake and Ohio Railway

To report on a good year for the Chesapeake and Ohio at the outset of a year that promises to be even better is a pleasure.

The year just ended produced the fourth best net.

income in C&O history. Net income in 1958 was \$52 million equal to \$6.36 a common share compared with the all-time record of \$68 million or \$8.36 a common share in 1957.

In 1958 business generally was down somewhat from the peak levels of preceding years. C&O traffic and earnings were off, too. Net income, however, was almost equal to the average of the previous five yearsthe best earnings period C&O has experienced.

And at the year end, traffic and earnings were moving upward encouragingly.

In 1958, national production of

million tons from 1957's 490 million. Export coal was off as a result of business and seasonal conditions in Western Europe. C&O's coal and coke revenues still compared favorably with the average revenues of the last ten years. Once again, the coal C&O moved from mines on its lines was one-eighth of national bituminous output, and the railroad held its position as the foremost coal carrier.

Merchandise freight revenues, lower by \$17 million than in 1957, reflected the pace of business. New sources of C&O traffic continued to develop: a diversifield group of industries chose locations in C&O territory for 90 new plants, expected to produce \$4 million more in annual revenues.

Capital expenditures were about \$21 million, compared with \$88 million the year before. With more than \$700 million-almost three-quarters of the capitalization of this billion-dollar railroad-spent for additions and improvements since 1945, another major phase of C&O's expansion has been accomplished. At 1958's end, working capital was about \$55 million, compared with \$44 million a year ago.

Chesapeake and Ohio ended 1958 in sound physical condition. Moreover, some important projects, necessary to assure future ability to serve customers and increase earning power, were progressed.

A \$7 million facility for loading coal from rail cars into ships was placed in service at C&O's Lake Erie docks near Toledo. Electronic traffic direction systems were extended to additional areas of C&O's main lines. Fire hundred new coal and merchandise cars were added to the company's fleet.

In the new year, C&O looks for a substantial move-ment of coal. The National Coal Association foresees bituminous production up 13 per cent. Export coal traffic will not return immediately to its recent high levels, but all the prospects for Western Europe in the years ahead are for growth.

Just as C&O's future is tied to industrial expansion in this country, so is it tied to growth abroad. Recently a representative of a large investment fund said this: "I consider that we are participating in Western Europe's spectacular growth through our ownership in C&O."

C&O is going into 1959 on the way up. This rising trend, it is expected, will continue into coming months. with heavier traffic and good earnings. The loyalty and effort of C&O's men and women form an indispensable part of this favorable outlook.

In this report a year ago it was stated, "We see nothing in 1958 that would disturb C&O's dividend rate of \$1 a quarter, \$4 a year." We are happy to repeat that statement for the year ahead.



#### L. TURCOTTE

#### President, Puget Sound Pulp & Timber Co.

The year 1956 established new records for Production and Consumption of woodpulp. Production for 1957 was approximately 3% below this record and indications are that Production and Consumption in 1958 will about equal the 1957 figures, both years still lagging below the 1956 record.

The outlook for 1959 is that a break-through of the 1956 record will take place perhaps by a low percentage figure indicating that volume of business will be satisfactory. There still will be over-capacity in the Industry for the full year of 1959 and running into 1960 which will make for a very competitive market. The woodpulp Industry is a natural growth Industry through increases in population, new developments for uses of products made from woodpulp, additional possible export fields and other factors.

With the factor of over-capacity present in the Industry, stability has been well maintained, indicating that responsible leadership is at the help in the woodpulp Industry and continuation of this stability is the

most important problem facing the Industry for 1959.

Supply of raw materials for the Industry in the form of pulpwood, sawmill waste, etc. is in the best situation today than it has been for decades. Practically every specie of wood can be used today for the manufacture of woodpulp and this has resulted in many new areas becoming prospective sites for woodpulp production, so the outlook as to raw materials for the future is excellent and self-sufficiency is assured for the North American continent, with extra capacity and production of woodpulp available for export to all countries needing this product. Any upgrading of the standard of living in many foreign countries could make heavy demands on the woodpulp Industry of North America as many of these countries do not have the raw materials in the form of fibres to supply their requirements.

Summing up indications are for a new record of production and consumption for the woodpulp Industry in 1959 with the market remaining very competitive due to over-capacity. Earnings in the Industry for 1959 might be placed in the "satisfactory" column.

#### RALPH T. TYNER, JR.

#### Chairman of the Board National Bank of Westchester, White Plains, N. Y.

1959 should be a good year in Westchester County. Economic recovery, not of boom proportion, should continue. The very fact that we have substantial improvement in our economy will create new tests for business. The wage-cost spiral with its impact



Ralph T. Tyner, Jr.

larly for people of modest incomes. At the present time plenty of mort-gage money is available at current If all this comes true, it will be permanent only if we slow the process of inflation. America must

on profits could have an adverse effect. The prospect of higher per-

sonal income and improvement in

employment augurs well for retail sales in Westchester. We hope for

increases in homebuilding, particu-

put its finances in order. Budget deficits must be corrected by increased taxes. There is the alterbut our country has not demonstrated its ability or

willingness to do this. It is with confidence that we look forward to 1959. Nationally, it appears that the recovery in the business picture from the lows of last year is reaching a point where some leveling off may be expected for the early part of 1959 before any further forward movement occurs.

In recent months we have seen one of the sharpest recoveries in the business picture in history with both the Federal Reserve Index of Industrial Production and Gross National Product recovering from their declines in an amazingly short period of time.

In this same period, violent fluctuations in interest rates have taken place. During 1959, interest rates should continue firm, stabilizing at about present levels during the early part of the year and working higher as the demands from both industry and Government materialize.

It is probably that the government needs will be sizable both for refinancing present debt and for new cash requirements. This financing will keep pressure on interest rates as efforts will probably be made to lengthen the debt structure.

In the early part of 1958 it was expected industrial expansion plans would be somewhat curtailed in view of the substantial capacity created in the last few years. A recent survey now shows industry projecting its capital requirements for 1959 at about the same level as last year. In addition to the demand created by this capital expenditure program, any psychological change brought about by a further inflationary atmosphere could result in a concentrated effort to replenish and rebuild inventories in a short period of time resulting in a further demand for funds.

Housing starts have shown a steady increase during the last few months of 1958 and are expected to continue

at about last year's level; however, there is a possibility that the tightness of money may curtail starts in 1959.

Notwithstanding the possibility of a slowdown in housing starts it is our feeling that demands from other areas should sustain a relatively high level fo interest rates for the year. Translating these factors into the outlook for 1959, we look forward with confidence to a continuing growth in our area and anticipate 1959 will surpass last year's results.

#### JAMES J. UPSON

#### President, The Upson Company

The marked improvement in general business conditions in recent months holds promise that 1959 will be a favorable year. The construction industry, in which Upson has a major interest, anticipates that a minimum of 1,200,000 residential units will be

started in 1959.

While 1958 got off to a slow start, the last half of the year was quite active in the conventional building and prefabrication markets and we are confident that the wallboard manufacturing company will start off with a good first period.

Our program of product diversification is beginning to pay off in increased sales. Several new products, including a combination sheathing-siding panel and a new improved primed siding, were put on the market recently and already account for a substantial boost in sales. Several new products are to be

introduced early in 1959 and will add to the company's volume of business.

James J. Upson

The company enters the new year with the utmost confidence in improved earnings because of the increased sales of such diversified products as laminated fibre wallboards, chemicals, waterproof coatings, industrial cut-outs, puzzles, fibreboard novelties and the development of products for special types of industrial and residential construction.

Our product development program will be accelerated in 1959 as well as its marketing and sales promotion program.

Increased sales have been demonstrated by the Industrial and Chemical Divisions and The Tuco Work Shops in recent months. We anticipate that the upswing in these divisions and subsidiaries as well as domestic and export sales will enable the company to maintain reasonable earnings throughout 1959.

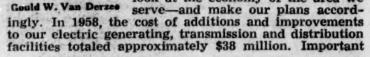
#### GOULD W. VAN DERZEE

#### Chairman of the Board, Wisconsin Electric Power Co.

Despite some decline in general business conditions during 1958, Wisconsin Electric Power Company continued its long-range program of improvements and additions begun in 1954. The program contemplates expenditures in excess of \$300 million during the 10-year period end-

ing in 1964.

Our expansion program is based on a solid belief in the continuing economic growth of the area we serve and its consequent need for a plentiful supply of electric power. We realize that electric power and progress go hand in hand. Progress makes power mandatory — power makes progress possible. Since it usually takes a period of several years to plan and build major generating and transmission facilities, we must continually take a forward look at the economy of the area we



expenditures like these help bolster local economy since a good portion of the total is spent for equipment, materials, labor and services supplied by manufacturers, business concerns and employees in this area.

Present budget planning calls for similar expenditures of about \$40 million in 1959. Scheduled for completion in the winter of 1959-60 is a fifth generating unit at our Oak Creek power plant near Milwaukee, the newest of the generating facilities which currently provide a total dependable generating capacity of 1,311,500 kilowatts for areas served by Wisconsin Electric Power Company. The new Oak Creek unit will add 250,000 kilowatts to the plant's present capacity of 500,000 kilowatts and will-cost approximately \$40 million.

Some idea of the rate of growth in the use of electricity may be gained from national statistics which show that, about 25 years ago, the average used by residential customers each year was little more than 500 kilowatthours. In 1958, the average residential customer of Wisconsin Electric Power Company used about seven times as much. Similar increases in the use of electricity are to be found on the farm, in business and industrial en-

Like most other investor-owned utility companies throughout America, Wisconsin Electric Power pany is preparing for the day when it may be economically practical to use atomic energy as a source of heat in the generation of electric power. We are one of the 25 member companies of the Power Reactor Development Company, a non-profit organization now engaged in constructing the Enrico Fermi Atomic Power Plant on the west shore of Lake Erie, north of Monroe, Mich. It is expected the plant will be ready for initial Mich. It is expected the plant will be ready for initial operating tests by 1960. It seems, however, that neither this plant nor any of the other atomic power plants now under construction, will be able to produce electricity at costs competitive with the present coal-burning plants in this part of the country.

Among the many factors upon which our views of the years ahead are based, is the expected effect on demands for electric power resulting from the new St. Lawrence Seaway which is scheduled for use in 1959 and may well lead the way to more growth and more progress in the areas we serve. Progress makes power mandatory—and power makes progress possible!

#### WALTER E. VAN der WAAG President, The Meadow Brook National Bank, West Hempstead, N. Y.

In looking ahead to 1959, we here at Meadow Brook National Bank share the general optimism that seems to banket the "crystal ball" fraternity at this time. Certainly Long Island, the area which we serve and know best, would appear to be embarking

on a 12-month period full of development and expansion.



W. E. Van der Waag

Of course, no area of this country is completely independent of another, nor in this modern era, can we overlook the effects of the economy of the rest of the world on that which exists in this country. Being highly local in our outlook, we cannot presume to look very far beyond our own area and must admit that our future here can be affected by those things over which we have no control. However, if you concede the validity of the optimism previously mentioned then certainly there is no area which can make more progre

in a healthy economic climate than suburban Long Island. The old adage about not putting all our eggs into one basket woud seem to be the key to economic health here on Long Island as well as nationally. The former "bedroom" of New York has become more and more self-

sufficient, providing more and more local jobs for its

resident population and these jobs are becoming less and

Continued on page 112

## BLACK HILLS POWER AND LIGHT COMPANY

Rapid City, South Dakota

Supplies electric service to the rapidly growing Black Hills Area in Western South Dakota and Eastern Wyoming

		The state of the s		the second of the second
Fiscal Year	Gross Electric Revenue	Net Income	Dividen Preferred	ds Paid Common
1953	3,841,185	549,210	75,891	302,285
1954	4,229,342	604,797	74,230	320,333
1955	4,939,382	704,305	141,808	350,928
1956	5,235,396	749,696	137,549	375,750
1957	5,528,795	789,491	134,886	427,769
1958	6,057,238	888,045	131,308	449,067

less hinged upon the tenuous situation of a government contract. To this end the business leaders in the area

are continually bending their best efforts.

The Home Construction industry which hit its peak in the postwar years here on Long Island is looking forward to a revitalization from the leveling-off period of 1957 and 1958. Add to this more activity in the general construction field and the other commercial and industrial growth referred to earlier and you have some of the reasons for our optimistic approach to 1959. Certainly 1958 saw a strengthening picture in many phases of the economy which should lead to a very healthy situation in the year to come.

#### ESTIL VANCE

#### President, The Fort Worth National Bank, Fort Worth, Texas

Local business conditions have been quite favorable during the past year in comparison with the economy of the Nation. This can be accounted for largely by generally improved farm and ranch conditions in the

Fort Worth trade area which offset to a great extent, particularly during the first part of the year, declines in other economic activites. It is also gratifying to note that during the last two or three months of 1958 local economic trends in general have been very favorable, and it appears logical to expect these favorable trends to continue through 1959. Retail sales and building activity are two of the outstanding items which account for much of the rising business activity. In view of these local conditions, as well as the national economic outlook as mentioned below, the outlook



for the banking industry is quite satisfactory. Although mixed economic trends may be expected by various business concerns during 1959, indications are that the year will show an overall improvement over 1958. In terms of Gross National Product it appears that an increase of from five to eight per cent may be expected. This improvement seems likely in spite of the fact that many sources expect only a slight improvement in the amount of capital expenditures in the last few months of the year. If capital expenditures should show a greater increase than now expected by many, the overall economy would, of course, show somewhat greater improvement.

It is particularly encouraging that an increase in business may be expected with only a slight increase in prices. This could be interpreted to mean that inflationary trends of the past several years may be modified somewhat downward from the three per cent annual average experienced during the past several years. Corporate profits are expected to increase during 1959 primarily for two reasons: (1) higher volume; and, (2) increased productive efficiency. It appears that 1959 can also set the stage for a somewhat more vigorous economy beginning in 1960 and this, of course, has a direct bearing on the outlook for interest rates inasmuch as there will be a greater demand for funds. Interest rates will naturally fluctuate to reflect seasonal demand and supply factors, but it currently appears that interest rates will, on the average, increase somewhat during

Although we have the foundation for a favorable volume of business activity, individuals and corporations will prosper only in relation to our ability to control and reduce the inflationary rate experienced since World War II. Increased productive efficiency and careful fiscal responsibility should be the concern of all to prevent dissipation of the hoped for economic gains in the future.

#### DR. ERNEST H. VOLWILER

#### Chairman of the Board, Abbott

Any analysis of the pharmaceutical industry for 1959 must take into account not only general business conditions but those factors peculiar to our industry. The economic upturn to date and its continuance in 1959

will help us as it will help all busi-But other elements are probably more influential, as our industry is less affected than most by economic cycles, and health needs receive first attention even in less

prosperous times. Research, and the flow of new products from our laboratories, will determine success in 1959. If new or better agents for the control or cure of common diseases are marketed, we can foresee a substantial rise in sales volume. Given an average output of new products, added to al-ready established ones, we are reasonably certain to record gains. And even if there are few new items of unusual significance, we can look forward to some



Dr. E. H. Volwiler

In part this will be true because of the long-term factors which for some time have been influencing our

expansion. The general population increase, ever-mount-ing interest in health matters, and the better health care which accompanies rising standards of living are all plus factors. Moreover, population continues to grow fastest among those groups requiring the most medical care—the very young and the elderly. We all know the strides which have been made in pediatrics, and intensified research into geriatrics promises favorable results in coming years.

Further evidence of industry strength lies in continuing diversification. The growth of veterinary and fine chemical divisions is accompanying expansion in pharmaceutical manufacturing.

Despite varying economic and political conditions abroad, the industry anticipates a growing volume of export sales. Here, indeed, is large potential limited largely by prevailing standards of living and the economic level of many countries. It must be recognized, of course, that for the immediate future, devaluations in important countries, as well as political instability in some of them, may produce an irregular course for American business.

Government spending in medical research will increase in 1959, in part because of such projects as the cancer screening program, which representatives of our industry will carry forward intensively. Government spending may become our special concern, too, if it tends to go too far beyond basic research into areas which can be handled better and more economically by private industry. This is a trend we must watch in the new year.

The pharmaceutical industry has played a major role in the development of useful drugs which benefit all mankind. With the scope of research constantly expanding, our contributions to society will continue to increase. This is a story not fully understood, and we should make greater efforts to tell it in 1959. For one thing, it deserves to be told as a prime example of the values of the free enterprise system.

#### HARRY W. VON WILLER

#### President, Erie Railroad Company

Erie Railroad operated on the "caution" signal during the past year along with other railroads and industries but indications are that the signals will be changing to "green" and a clear track ahead in 1959.

The year closed on a more opti-mistic note than when it started. At this time last year the business recession had already set in and all economic predictions were on the downward side. Fortunately, the recession seems to have run its course. While we are not out of the woods yet, there are definite signs that our economy is headed for a come-back in 1959.

It now appears that business in general and particularly the heavy goods industries such as steel and automobiles, on which the Erie relies for much of its tonnage, will show a gradual improvement in the months ahead. We can look forward

to a more encouraging and rewarding year. With 1958 carloadings down approximately 20% compared to the previous year, the Erie will end the year with a deficit of slightly more than \$4 million compared to a net income of \$3,600,600 in 1957.

Harry W. von Willer

However, on the basis of our present estimates we will return to a profitable operation in 1959. The extent of profit will depend on a number of factors, particularly in the field of regulation, politics and labor. From the standpoint of business, the climate looks encouraging.

The Erie expects to regain approximately one-half of the decrease in carloadings experienced in 1958, or about 11% on a system-wide basis. But, expenses will be higher in 1959 because of increases in costs of materials and wages, the latter advancing by eight cents per hour

A great many additions and betterments have been necessarily postponed for the past year until funds are again available for capital improvements. Some of these may be accomplished during 1959 as money becomes available.

Fortunately, our equipment and facilities are in good condition. In the ten years prior to 1958, we have spent more than \$171 million for additions and betterments, an average of \$17 million per year.

Enactment of the Transportation Act of 1958 by Congress has made it possible for the railroad to proceed with the discontinuance of the Jersey City-Chambers St. ferry which will help to reduce the Erie's commuter deficit by nearly \$400,000 annually. Joint use of the Erie tracks with the Lackawanna between Binghamton and Gibson, on which work was started last month, is expected to reduce operating costs by approximately a half million dollars per year for each carrier.

Saleswise, the Erie is studying and testing many new concepts in railroad pricing in order to attract more tonnage, making possible more efficient and economical operations. Under consideration are such things as volume rates, incentive rates, agreed charges, piggy-back rates and other pricing methods which will help rail-roads to stimulate competition in the transportation market rather than just meet it. The establishment of such rates will depend on the interpretation of the "rate-making" provision of the Transportation Act of 1958 by the Interstate Commerce Commission.

#### A. LIGHTEOOT WALKER

#### President, Rheem Manufacturing Company

The nation's economy apparently has resumed its long-term upward trend, following a period of adjustment. In general, producers of manufactured goods are in an improved position to take advantage of any eco-

nomic upturn. The recent recession has tended to create a better balance between costs and prices. However, the consuming public continues to resist price increases, and industry must perforce resist pressures for increased costs of direct labor and raw material.

Industrial management must still work hard to establish and maintain a proper cost-price balance and to strengthen the gains in productivity achieved in recent months. These gains have largely reflected management efforts to improve production methods, install efficient machinery and instill cost-profit consciousness at all organization levels. Manage-



ment's continuing success in these efforts will greatly help the current trend toward business recovery. This is particularly true in certain markets served by Rheem Manufacturing Company that respond quickly to economic swings, such as the home and commercial building market, the automotive market and the steel shipping container market.

There have been increasing signs of strength in commercial construction, also industry sources anticipate more than one million housing starts in 1959. Substantial increases in auto production are expected. These factors will have a salutary effect on business generally.

Government defense spending has continued at high levels, although an increasing proportion has been chan-neled into research and technical projects rather than quantity production. This trend is profoundly affecting competitive positions of companies in the aircraft in-dustry. Nevertheless, the long-term outlook is for con-tinuing growth and opportunity in the age of advanced types of aircraft, missiles and rockets. Rheem's Defense and Tachnical Products Division for example formerly and Technical Products Division, for example, formerly principally engaged in subcontract airframe and jet engine production, is now also a prime contractor for Army Signal Corps pilotless surveillance aircraft and has substantial orders for missile and rocket com-

While our nation's economy shows increasing strength, it is heartening to note that many Free World nations have also improved their capacity for economic growth. The recent steps toward free convertibility of many European currencies, coupled with the birth of the European Common Market, indicate new opportunities for economic advance abroad. Many companies in this country, including Rheem, look forward to sharing in the growth of markets abroad. Rheem products are presently made in 19 plants in 13 foreign countries.

For the next year and beyond, management faces the difficult task of improving productivity and consequently earnings in order to attract new capital and also to provide funds for research and development.

#### T. J. WATSON, JR.

#### President, International Business Machines Corp.

Since business has already recovered a large part of its loss during the recession, I would expect that in a few months total output, as measured by such indicators as gross national product and industrial production,

would be back to the historic high level reached in the pre-recession peak. Because of this growing momentum in the economy, the office equipment industry looks ahead to a better year than 1958, with its growth moving back toward the postwar pattern of about 10% a year.

The office equipment industry was, however, substantially affected by the recent recession, for the nature of the industry is to have a larger response to business down-swings than the broad economic indicators. For example, the index of new orders for office equipment

T. J. Watson, Jr. and supplies dropped about 25% from its peak in the second quarter of 1957 to the middle of 1958 as compared with a drop in gross national product of 4%, or with a drop in industrial production of 11% during the recession. Although orders were substantially down, production did not followed dragatically because of the size of cristians. not fall as drastically because of the size of existing backlogs. Also, a significant part of the industry's revenues comes from equipment rentals, which held up well during the recession.

A factor worth highlighting concerns the "spirit" of the industry in the face of the general business decline. To recharge business interest in office equipment, many of us launched intensive counter sales and service measures. I believe the results of these efforts played a tremendous part in limiting the effects of the economic slowdown on the industry.

Because of improved products, intensively competitive sales efforts, and because of a better economic environment, I expect that substantial advances will be made by the industry in 1959.



#### J. B. WARD

#### President, Addressograph-Multigraph Corporation

General business conditions in 1959 will be good. They will support any well planned and controlled program for expansion and growth.

Even though general business conditions will be good,

the sales volume needed to support an expansion program will not come automatically. Increased sales, however, will come if full attention is given to the strengthening of the many areas of operation that have been weakened by a number of years of lush business—and further undermined by a heavily advertised, short period of hard sell for which many were not prepared.

Concentration by top management on business fundamentals is the order of the day. Careful consideration must be given to increased expenditures for research and engineering and to the modernization of production facilities. Sales organiza-

tions must be quantitatively augmented and qualitatively strengthened by improved methods of selection of personnel and a program of training that covers both beginners and veterans.

The economic climate for 1959 appears to be pretty well set. Although there may be some shadows caused by a dip here and there, the year should pay off well for the business man who does what he knows how to doprovided he will just get busy and do it on a continuous day in and day out basis throughout the year.

It is essential that all planning be supported by a firm belief and confidence that we are heading toward the period of our greatest prosperity for which the term "soaring 60s" has already been projected.

#### P. W. WATT

#### President, Washington National Insurance Co.

With the new year underway, every sign and indication of increased business activity serve to underline the optimistic viewpoints held by most of our national economists and men in business. We in the life insur-

ance industry share this optimism. Because the life insurance industry plays such an integral part in our national economy, virtually every economic bellwether is significant from our standpoint. Indications are that the income of the average family during 1959 will increase. A steadily increasing amount of this average family income will be set aside for future delivery in the form of savings, investments and family protection. Because of the high regard in which life insurance is now held on the part of the majority of the American public, 1959 should be a very significant year of achievement in our

industry. National population figures are rising. Our present population of 170 million people is increasing at a rate not dreamed of only a few years ago. A national population of 200 million is only a little more than a decade away. Because life and accident and sickness insurance strikes at the heart of every individual's needs, 1959 will show a proportionate increase in the size of our national market for protection and

savings. We expect the Gross National Product for 1959 to better its usual 5% increase. Competition in our free society will be greater than ever and hence the appeals for consumer income increase at least as much as the consumer income itself. We are confident that the American public during 1959 will continue to spend wisely; thereby creating more intensive pressure on the part of American business to provide them with ever better products. The same holds true in our business, life and accident and sickness insurance. In order to meet our expected potential for the coming year, steady improvement will be made in terms of a trained and aggressive field force and more effective service to our policyowners because of automation and modernization. Our confidence in the coming years is indicated by the fact that we are moving ahead steadily in both of these areas.

The year 1959 will show an increase in the number of children, an increase in the number of widows, an increase in the number of children going to college and an increase in the number of people paying off home mortgage debt. There will also be an increasing number paying off total consumer debt and an increase in the number of people reaching retirement age. All of these factors relate strongly to the optimistic outlook we in the life insurance industry have in predicting our levels of achievement for 1959.

We believe that the average amount of life insurance held by each family in the United States, presently about \$8,300 of protection per family, will continue to increase in 1959. This represents a tremendous growth potential for every life insurance company in the United States today.

#### W. J. WEBB

#### Vice-President, Outboard Marine Corporation Division Manager, Evinrude Motors

Many reporters and writers for various periodicals, upon discovering the scope of the recreational boating industry, resort to a phrase that has become a cliche. That shop-worn phrase is "Boating Boom." Within the industry, we prefer to think of the rise in boating not so much as a

rise in boating not so much as a "boom," but as the natural growth of a product whose use is synonymous with the rise in the nation's per capita income, its higher standard of living and its increased leisure. These are factors which have been well documented by the economists. Within a sound economy, we have built a sound industry.

Frankly, all things being equal, we fully expect the outboard motor industry to continue apace its healthy climb in 1958. Last year, our parent organization, Outboard Marine Corp., showed net sales of \$158,712,982, an increase of \$8,226,862 ever 1057.

increase of \$8,236,663 over 1957.

These sales were primarily of outboard motors; add to this the sale of boats, boat trailers, fuel, hardware and equipment and the year tallies out with more than \$2 billion spent by the consumer on recreational boating. We are fully confident that 1959 will be another \$2 bil-

At Evinrude, we contemplate 1959 sales at approximately 10% over last year's record figure; we are confident our earnings will show a wholly favorable ratio

We manufacture a range of nine motors, from 3 to 50 horsepower. The popularity of cruising and water skiing has within the past five years, created a market for motors of higher horsepower. Our two largest motors are 35 and 50 hp. models. We expect that about 55% of our unit volume and about 70% of our dollar volume will be accounted for by motors in our 35 and 50 hp. class.

There are many factors which we think will contribute to the continued growth of boating. Not the least of these is the country's trend in population growth. Between 1950 and 1955, the suburbs, in comparison with central cities, grew at a ratio of 7-to-1. In other words, our cities grew by 4% in population and our suburbs by 28%

Our suburban population seeks its recreation close to its own communities. It follows that suburban areas bounded by water, or having rivers and lakes near at hand, are ideally suited to the development of boating.

One great stimulus to the growth of boating is the growing awareness of bankers in marine financing. For the past two years, we at Evinrude have conducted a campaign to indoctrinate the banker to the profit opportunities in the recreational boating field.

We have published two books, "Profit Opportunities in Marine Financing" and "The Banker's Reference Manual on the Outboard Motor Industry." Both have been extremely successful in that they present the banker with fully documented case histories on marine financing.

Forty-nine percent of our dealers are currently engaged in retail financing. This percentage is considerably higher than that of marine retailers for competitive motors, primarily because of the stress we have placed on our banking promotion.

The role of the banker will become increasingly important with the growth of recreational boating. As a case in point, the Atlantic National Bank, Jacksonville, Fla., financed boat and motor sales in excess of \$1,000,000, involving about 2,000 persons this year. The bank has had no loss on such transactions, conclusive proof that risk is nonexistent when the purchase of a boat and motor becomes an integral part of the family's plan for living.

Unlike golf, membership at a hunting lodge, or the expenditure of money on spectator sports, outboard boating involves the entire family, There is every indication,

with the emphasis on family life today, that the family will account for another \$2 billion expenditure in the boating market in 1959.

#### CHARLES A. WIGHT

President, Freeport Sulphur Co.

Consumption of sulphur toward the end of 1958 registered an increase over earlier months but the gain was insufficient to bring the annual rate to the level achieved in 1957. The lessened use of sulphur was due to the decline in business activity. Since

sulphur is one of industry's most widely used chemical raw materials, its demand follows very closely the trends of business activity in general

Preliminary data indicated that total domestic consumption of sulphur was off fractionally from 1957, reflecting the lower output of such major consuming industries as paper, steel, petroleum refining, rubber and textiles. However, the relatively good year experienced by the fertilizer industry and segments of the chemicals industry, two of the largest consumers of sulphur, helped



harles A. Wig

Sulphur production was also down. Total output from all sources in the United States amounted to an estimated 6,200,000 long tons, compared with 7,000,000 tons in 1957. The drop in production was the result not only of lower consumption but also of increased imports and, more significantly, a cutback in stockpiling.

Of the total production, three-quarters was brimstone mined by the Frasch hot-water process from salt dome deposits located along the coast of the Gulf of Louisiana and Texas. Indicated Frasch production was approximately 4,650,000 tons, compared with 5,490,000 tons in 1957. Of the balance of the output, 630,000 tons represented elemental sulphur recovered from refinery gases and sour natural gas; 400,000 tons sulphur contained in pyrites; and 520,000 tons sulphur in various forms from other sources.

Twelve Frasch-process mines were in operation in the United States in 1958, including a new mine opened in May by Texas Gulf Sulphur Company at Fannett, Texas. Texas Gulf remained the largest producer, followed by Freeport Sulphur Company, Jefferson Lake Sulphur Company, and Duval Sulphur and Potash Company.

Both imports and exports of sulphur were up in 1958. Imports were at a record of approximately 760,000 tons, compared with 669,000 tons in 1957. The bulk—an estimated 600,000 tons—was Frasch sulphur produced from mines in Mexico.

Shipments abroad, all of which were made by the Frasch producers, were estimated at 1,575,000 tons, slightly higher than in 1957 and only 75,000 tons less than the record shipped in 1956.

To meet more effectively the increased competition abroad from foreign sources of sulphur, the four U. S. Frasch producers during the year formed the Sulphur Export Corporation to sell their sulphur outside the North American continent. The jointly owned company was created under the terms of the Webb-Pomerene Act, which permits companies within an industry to form a single organization to transact their business abroad.

The quited price of sulphur in the U. S. has remained unchanged since the reduction of \$3 a ton effected late in 1957. Prices during 1958 were quoted at \$25 a long ton f.o.b. port and \$23.50 f.o.b. mine.

Two new U. S. salt dome deposits were under development, both projects of Freeport Sulphur. The largest is Grand Isle, a discovery of major magnitude located off the Louisiana coast in 50 feet of water seven miles from the nearest land. The second, known as Lake Pelto, is situated some miles away in the shallow, partially protected water along the coast. At Grand Isle, a steel

Continued on page 114

## CONTINUED GROWTH IN CALIFORNIA

The population experts predict 22,000,000 people for California in 1970 — the largest of any state in the Union.

This means continued growth for California Water Service Company which serves 28 communities, strategically located for growth, in all parts of California.



### CALIFORNIA WATER SERVICE COMPANY

374 West Santa Clara Street San Jose, California

structure measuring nearly a mile in lenth was nearing completion at year's end, and production is expected in 1960.

#### C. M. WHITE

Chairman of the Board, Republic Steel Corporation

The year 1958 began with recession and is ending with recovery. It is a recovery solidly entrenched in the experience of the last three quarters of 1958, so far as the steel industry is concerned. Steel production began

turning up from the low point last May and has advanced fairly steadily ever since. The only question mark on the horizon is the possibility of

a steel strike in July.

Production of steel in 1959 is likely to range close to 110 million ingot tons—a gratifying 20% to 30% increase over the 85 million tons estimated for 1958. When we realize that we have only had 100-millionton years since the Korean War, we can understand better the significance of the expected production level for 1959.

There are a number of factors which point to the 110-million-ton level for the coming year. Many

important steel consuming industries should have better years in 1959 than in 1958. Economists predict that automobile production should amount to about 5.5 million units in the coming year. This 30% increase over 1958, coupled with an expected build-up in steel inventories, should lead to a 50% increase in steel shipments to the industry.

By the same token, economists say that total construction and industrial machinery purchases will require up to 20% more steel than in 1958. There also will be improvements in the oil and gas industry, railroads, appliances and metal cans, to name just a few important users.

Viewed against a background of a reversal of the inventory liquidation trend which hit steel so hard last year, plus expected improvement in the sale of consumer durables in line with rising income payments, and purchase of new types of manufacturing equipment that raise efficiency, the steel industry has a bright outlook as it enters the new year.

#### S. D. WHITEMAN

President, Kansas-Nebraska Natural Gas Co., Inc.

The Great Plains Area was blessed with a bountiful harvest of all crops during 1958, and this has resulted in a good level of prosperity. The economy of our region is primarily dependent upon agriculture, and our outlook

must necessarily consider crop potentials. Our outlook for the future in this respect is considerably brightened in light of new agricultural developments.

With the advent of irrigation we are more and more assured of successful crops each year, and agricultural practices are improving at a rapid pace. Such things as improved seed and fertilizer, picker-sheller machines and grain dryers are doing a great deal toward developing a highly modernized agricultural community. With this type of progress we can be certain that our economy will become increasingly stabilized.

Furthermore, our area is experiencing an influx of small inquary, and there is every reason to believe that bigger industry will follow. We have abundant raw materials here necessary for industrial development, and our business climate is exceedingly attractive. Great Plains labor cannot be matched for productivity and initiative. The anticipation of more and more industrial development is certainly reasonable, and this again will do much toward a well balanced economy.

S. D. Whiteman

Naturally a bright outlook in our service area gives us good reason to believe that there will be a greater demand for natural gas. There will be more applications for gas in agriculture and industry, and the increased use of gas will be of benefit to producer and consumer alike.

From all indications the natural gas industry in the United States has a lot of growing to do during 1959 in order to catch up with the apparently insatiable public demand for gas service. With the proper incentives provided, the next few years will see the continuation

of large industry expansion programs.

The industry has serious problems confronting it, however—problems which have ramifications so severe as to stifle the industry. Efforts to reduce the 27½% depletion allowance will be prominent in the 1959 session of Congress. The depletion allowance has provided life-blood of incentive for producers to continue the search for new oil and gas supplies which are becoming increasingly costly each year. It is vitally important to the entire nation that the search go on unimpeded.

There will also be efforts made to take from gas companies their industrial markets. The economy of gas companies is based in part on service to interruptible, industrial customers who can use off-peak supplies, and these sales are of direct benefit to all of the other gas users. Loss of industrial sales for gas companies will inevitably result in higher fuel costs for the gas consuming public.

If expansion of gas facilities is to continue, gas companies must be able to compete favorably in the money market to finance new construction. More favorable rates of return will be required in order to attract investors' dollars and to enable gas companies to meet the expense of the rising cost of money.

These will be major problems facing the gas industry in 1959, and they cannot be satisfactorily solved without favorable public opinion and understanding. During 1959, as never before, the gas industry will tell its story to the people of the nation. It is a story of our system of free enterprise and private ownership of property producing more and better goods and services to more and more people—a story which cannot be told except in a free economy.

#### CHARLES H. WHITMORE

#### President, Iowa-Illinois Gas & Electric Company

The business outlook as viewed from our area is a glowing one. Our gas and electric business tends to mirror the activities of industries in the area, the leading one being farm implement manufacturing and aluminum production—that is, aluminum

sheet, plate, and foil.

The area we serve also embraces some heavy machinery production as well as activities related to light manufacturing and insurance head-quarters operation.

The level of business activity appears to be rising at a good clip in the area we serve and, I believe, in the nation at large.

Since 1930, farm families have declined from a point at which they represented 25% of our total national population to a proportion of perhaps 10 or 12% today. Increased farm production meanwhile has come from increased mechanization. The farm

equipment business is good now because the farmer has good prices, good crops, and stable, favorable farm legislation. If this year's bumper crops don't cause serious price cuts next year and if the more city-dominated Congress doesn't cause uncertainty among farmers by a fight over farm legislation, 1959 should be another good year for farm-equipment and other farm-related businesses, as always, taking "normal" weather for granted. In the second haif of 1958 our gas and electricity sales to industrial and commercial customers are up, and are paralleled by similar gains in the nation at large. This condition reflects a general recovery from the recession. In our area the recession was very mild, while in other parts of the country it was perhaps more serious.

Charles H. Whitmore

Construction looks better for next year in the territory I am familiar with.

The one serious threat to the economy now visible (either short- or long-term) is the continuation of the wage/price spiral. Many eminent economists, including those in the government, are quoted as saying that the price level is likely to be stable next year and perhaps longer. Their opinions seem to relate, however, to whether or not the underlying pressures will be effective short-term, rather than where prices are going long-term. Wages continue to be increased and the increases appear to be in excess of productivity increases. It may take something like a little extra military procurement nudge from a Quemoy or a Burma to give effect to these inflationary pressures in the market place, but to my mind their effect is inevitable, unless our national policy is changed to provide explicitly for fiscal stability as a modification of the present policy of full employmentat any cost.

At this time I visualize 1959 this way: It will be a fine day for a labor-management-consumer picnic, with the sun shining brightly, but with a black storm cloud of inflation hovering on the horizon.

#### CHARLES C. WHITTLESEY President, Ford, Bacon & Davis, Inc.

Because of the obvious connection between new industrial construction and the new corporate financing which is usually required to pay for it, the prospects for investment bankers and engineering-construction firms

normally tend to be closely related. There are reasons to believe that the outlook for 1959, in both areas, is favorable. One recognized estimate, covering total industrial contract awards, sets a 1959 figure of \$35,600,000,000, which is 3% above the 1958 level. For manufacturing alone, new construction measured in floor space is estimated at 14% above 1958.

above 1958.

We sometimes overlook, in attempting to gauge the future, the basic fact that population in the United States is increasing at the rate of over 250,000 a month—equivalent to a new city larger than Des Moines every 30 days, a new city

considerable larger than the San Francisco Bay area every year.

Chas. C. Whittlesey

Coupled with this basic fact is the popular insistence, in every income group, on a higher standard of living than we have known in the past. Not to mention the

continuing challenge in world affairs, which will almost certainly be reflected in defense spending at present high levels.

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Another powerful factor pointing to a heavy volume of industrial construction in 1959 is the pressure of rising costs for labor and materials against consumer resistance to price increases. The best solution — in many cases the only solution—has proved to be more efficient production with more modern plant and facilities. Increasingly, lower cost production utilizing every modern method that engineers can devise, is becoming a competitive necessity.

In not a few cases, this may involve plant relocation or a new plant which has better access to raw materials and parts, to markets, to a dependable labor supply, to low-cost power and water, and so on. Here again, the engineer and investment banker work together to make certain that management has the facts on which to base a sound decision and the necessary financing once the decision is made.

It, therefore, seems apparent to me that engineering firms and investment bankers, working together as they do, must be prepared for a busy year.

This work will not be confined to new construction. In some cases, new manufacturing processes, rearrangement of plant and machinery and installation of new and costly equipment, better materials handling, better cost controls, more effective research and development procedures, mergers, diversification and tighter organization can still do much to cut costs. All these things cost money, and in many cases, will require new financing.

It should be emphasized, however, that in the struggle to relieve the cost squeeze through more efficient operations, major new plant facilities will be increasingly important—which cost even more money. Management has, in a great many cases, already squeezed the fat out of existing costs—gone about as far, with existing facilities, as quality standards will permit.

In these situations, joint study by bankers and engineers have been found increasingly desirable for an informed decision in any given situation—on the overall feasibility of the project under consideration, the economies it will produce relative to its estimated cost, and the type of financing best suited to the project and the corporation.

There is a great deal to be done, not only in industrial production, but in the utility field as well. There will be, for some years to come, in my opinion.

A survey during 1958 indicated a \$2,000,000,000 backlog of new construction for the natural gas industry, for example, which should have very substantial impact on both banking and engineering in 1959. Pipeline transmission companies have had success in obtaining consents to rate increases required to justify this huge investment.

To meet the needs of a rapidly growing nation, there must be new improvements and extensions for water systems, sewage collection and disposal systems, electric power generating and distribution systems, as well as extensions to natural gas pipelines, pumping stations and other plants.

Such projects also call for careful joint study, both for planning and financing, before the necessary design and construction can proceed on a sound economic basis in relation to estimated costs, market potentials and earnings to support the financing that will be required to pay for them.

For all these reasons, it seems to me, the investment banker and the engineer are amply justified in looking forward to 1959 with a degree of optimism—tempered, perhaps, by the fact that a heavy burden of work may have to be executed under pressure.

This, I believe, implies a healthy outlook for the whole economy. When investment bankers and engineers are busy, so is everyone else—and if the engineers have done their jobs well, everyone is busy at a profit, which is also healthy.

## CHARLES F. WILLIS, JR. President, Alaska Airlines, Inc.

Alaska citizens did more than put a new star in our flag when they voted to become the 49th State.

While the rugged terrains of Alaska will remain the same, the vote did bring a new identity to this vast area. As America's newest state, and a remote one at that, Alaska faces

area. As America's newest state, and a remote one at that, Alaska faces problems. Her citizens hold fast to a religious-like belief in individualism, and yet Alaska's economy has been largely dependent on military spending. Only in the last few years has there been any real development of the industrial potential of the region.

Alaska brings into the union the greatest, vastest, richest raw source of industry of any of its 48 fore-bearers. As a collective unit of hardy citizens striving to compete with her sister states, Alaska will furnish new markets and seek out domestic and world markets as her resource potentials are realized.



hartes F. Willis, Jr

Alaska combines the romance of the old with the feverish activity of the new. Grizzled prospectors still sift the sands of the Yukon for a few grains of gold while a few miles away geologists and engineers probe

Continued on page 116

## The New Inflation Ahead

please us, nor be compatible with nies are not permitted to make maximum economic growth. If such sales.
we do not fight inflation and fight Is this the direction in which it successfully, we can expect to we wish to go? I do not think so, lose our economic freedom, and There are two basic difficulties, to a considerable extent our per- First, these schemes are not and sonal freedom. Some form of generally cannot be so devised to

about more price increases.

It is dangerous, also, because they don't. we cannot depend on the moneis presently in doubt, and without this help the full burden falls on the Federal Reserve. This is more than we can ask even of this powerful institution. There seems is high level employment; and keep the dollar sound. If any of these things falters the Federal Reserve is said to have fallen on ing a gently rising price level. its face. This is unjust. It was Some people, the West Germans, never envisaged in the Hearings of 1946 that monetary policy was to be the sole instrument for eral Reserve has some powers and lacks some powers. It has a vital role in attaining our economic cannot be expected to do the whole job.

And, furthermore, creeping inflation is dangerous because it as the wisest course of action. may not remain creeping. One of Why don't we do something the characteristics of rising prices about inflation? There are several may not remain creeping. One of in our country in the past decades sure the rise would continue. Continuation of such uncertainty is essential to prevent the rise on and execute the cures. getting out of hand. But in order to maintain uncertainty our government would have to pursue the policy of creeping inflation while trying to persuade the people that it is not doing so. Such a course of action is less than moral.

Finally it is dangerous bécause it assumes that problems of equity and justice under inflation will be ironed out by escalation. No society which lives for long under rising price levels can resist the fascination of schemes and devices ineffective. to escalate the whole economy. In the United States we are alincrements for six millon wage earners: a monster support program to bring agricultural prices into so-called parity with the things the farmer must buy; and Congressional review of Social Security benefits to keep them in line with the cost of living. Private uninsured pension schemes which attempt to provide some protection for the pensioner against the decline in his purchasing power have cropped up everywhere. In the life insurance industry the variable annuity is debated continuously.

We are beginners at this idea and even the government itself consciousness when there has been of equities will furnish some

works in complete contradiction are indexed in some fashion as to our basic ideas of equity in as to principal or interest or both. democrary. Moreover, it leads to One can even buy life insurance a type of economic organization which is indexed from the govand way of life which will not ernment, though private companies.

statism will take over: protect all groups with precision Some say that as long as we and promptness. They fail demohave only "creeping inflation" no cratic standards. In France, since serious harm is done, and the there is not always complete congains outweigh the losses. This fidence in the cost of living index. seems to me to be an extremely escalation for private borrowers dangerous position. It is danger may be in accordance with the ous, first, because if savings are price of a product such as a kilo-checked by rising prices, a gap watt of electricity or, in the case will appear between investment of the government, in accordance and savings which must be fi- with the gold Napoleon. Somenanced by means likely to bring times these arrangements work in the direction of parity; sometimes

Second, widespread resort to tary authorities alone to hold the such measures not only diverts line. This might be a more con- a lot of ingenuity from the solufident defense if we could be as- tion of the basic problem of cause sured of budget surpluses in in- but also runs a great risk of flation periods. But the ability of actually contributing to the inflaour government to accomplish this tionary forces. Since the real gains which accrue to some sectors through inflation are diverted in part to the losers by escalation. the initial gainers may well develop the attitude that governto be the general impression that ment expenditures or the money the Federal Reserve can somehow supply should be increased to all by itself maintain a dynamic assure them of their full gains. business climate, make sure there The futility of this jockeying for position is apparent. This sort of thing can become a vicious spiral, hardly consistent with maintain-

who have within the lifetime of which led to the Employment Act many now living experienced the demoralization of galloping inflation, or the Swiss, who value reaching our objectives. The Fed- very highly a stable relationship between their currency and that of others, have no confidence in such techniques and prefer to objectives, but it should not and concentrate their efforts, not always successfully of course, on avoiding the problem in the first place. In general, this strikes me

answers. One is that we do not, is that the public has never been even in sophisticated circles, completely agree on the cause or causes, and hence we can't agree

> Another is that inflation has not yet caused enough suffering to enough people. For a long time in the early stages of infla-tion the bulk of the population occupy a middle position. They don't gain and they don't lose; they are unhappy because they realize that they are not going forward and yet they either don't understand what is being done to them and what is doing it, or they

Another large group, one that has banded together in strong ready familiar with cost-of-living political units, makes some progress. Some of the progress is real some is illusory. This group, which has made some gains through its strong trading position, has up to date accepted inflation, if enthusiastically. However, this group is now beginning to recognize the inflation danger but suggests price control as the remedy.

Our people know and understand depression. They have had experience in that direction. Economic statistics from those days are not what impress them-they are still marked by the things economists sometimes forget: the human cost of such experience, of escalating the economy against the toll that never shows on a of the historical indices, some-inflation. In one European coun-graph but leaves a dreadful scar, thing has been added when these try (France) these techniques They are not readily impressed same people continue to buy—have been developed into a fine with statistics and graphs and fig- or at least refuse to sell. The art. Securities of private bor- were son the dangers of inflation. "something added" is, of course, rowers, nationalized industries, How can we bring this to their the hope or belief that ownership

inflation? We find a different lar. situation in some quarters of Europe such as Germany, where after World War I prices increase a trillion-fold. While our experience is of men selling apples on

Now, in opposition, there are rowing numbers of people who re beginning to experience and to understand inflation in human, ocial terms. They are in deepening trouble, for in the last 20 years heir dollars have been cut in half. And for very many of them are no reasonable or even possible ways to increase their in-

People on fixed incomes are particularly found in the upper age level: retired workers, widows on pensions. These victims are joined by those on relatively fixed incomes, many of whom are doing necessary and useful public service for pay which lags far behind prices. Few have the energy to follow the example of the school teacher who must spend his after-dark hours selling pots and pans. There is more trouble in these areas than we know, for pride lives under a leaking roof long time before it cries for help. As this group grows, so grows the slim hope that the time will come when their potential political power will have to be considered.

Another serious obstacle to our doing something about inflation is the growing acceptance of the idea that inflation is an inevitable fact of our life. This involves scotching the confident feeling that "inflation may be rough for some other guy, but I can take care of myself."

The man who can take care of himself is a master of the sophisticated art of hedging. He knows when to buy land, when to con- is a real threat and that we canvert real estate into diamonds, not contain it either by laws alone when to borrow money, whether to buy art or Persian rugs, when to start a bank account in Switzerland, and, last but not least, he knows when to buy stock and what stock to buy. To imagine that millions of amateurs can play this game is madness. But there is contagion in this kind of thinking. When banner articles advising readers how to make a good deal in inflation appear in magazines of wide circulation, it is time for inoculation.

One could summarize the situation by saying that while today the majority are holding even or gaining, a large minority are continuing to lose. Philosophically, in a free democratic society it has always been held that the majority could not and should not impose on the minority. This is an over-simplified picture of our complex dilemma.

The judgment of the market place may be significant. Some of the so-called wise money in this country, and in the wide world as far as that is concerned, is trying to hedge in various ways. We have exported during the current year to date more than \$2 billion in gold. This money flowed out of the country largely because of changes in the balance of trade and other economic factors. Some of it may have gone because a few people thought they would do better to cash in on American assets and bring them home in a form that couldn't depreciate in dollar terms. What is a few today could be many tomorrow.

The performance of the stock market is apparent to all. When investment experts and speculators generally agree that most stock prices are too high by any

no great dramatic experience with hedge against erosion of the dol- power to regulate the sup

What a few may be doing today could accelerate into a large flight from the dollar. The world at large is watching our money with great concern. Circumstreet corners, the experience of stances have placed us in the posicertain other countries is of men tion of world banker, a role ocbuying a loaf of bread with a cupied by the British for a long wheelbarrow load of money.

The obligation of the banker is not only to help to provide capital resources but to hold with sound money. Our preachments to the world and to the so-called un-derdeveloped countries against the wickedness of inflation and unbalanced national budgets are not going to be received with very much force unless our action supports our preaching.

The suggestion made by some The suggestion made by some, namely, that the way to control inflation is to impose price and ultimately wage controls, is rather naive. The experience of the country during wartime showed that this is a weak approach to a fundamental problem. If price Since so much of our product control does not work under an is required for national defeatmosphere of national support of the short run rate at which

culated to attempt to restore balance between the bargaining power of labor and business. There have been other suggestions, such as those calling for the passage of a law which, for example, would set up a government bureau, such as a consumer's bureau, to express judgment on the justification for price rises in basic industries.

These suggestions reflect the well-known American characteristic—when in trouble pass a new law. One new law will lead to another, and ultimately we get back to my starting place—statism in practically complete form.

what do we do?

First, we decide that inflation or by escape to so-called inflation

Then we have to use in full all the institutions we have available to carry out our national purposes of a stable dollar, high-level em-ployment, and freedom of eco-nomic growth. These instruments ployment, and freedom of economic growth. These instruments Van Hise is affiliated with Reid, are the Federal Reserve and its McDowell & Frazier, Payton Bldg.

money and credit; a fiscal, etary, and debt manage etary, and depe policy which must be d ets over time; and a tax structure which will produce surpluse times of boom and will lenough flexibility to encou growth despite the necessity for high tax-take.

What we have also to do is find effective ways to educate it public in basic economics. To people must understand thorough ly the fundamental econo that a society cannot to out of an economy than it puts in.
Too many people believe that all that is needed in a democracy is to vote right and we can have whatever we want. Production is the result of successfully combinating management capital. ing management, capital, labor and materials in a favor climate. Out of production co distribution. We must prod more, if we want to have m a war effort, it certainly will not can improve our civilian stand-work in times like the present. ards of goods and services has Another suggestion is a law cal- some practical limitations. On a long-term basis with the prope kind of environment, we have the capacity to have almost all of the things we need and want.

If these warnings on the dan-gers and problems of inflation in

this country sound like Jeremiah (the Prophet of Woe), they are so

As a people, Americans are and have a right to be consistently optimistic. A danger has to be very visible and very present to bring about appropriate action. We know that this danger is very present; we must share the responsibility to make it clearly visible. My belief is that we will You are certainly asking at this meet the challenge. Let us be point: If we face a great danger, determined that we will do it soon enough and vigorously enough. Our reward will be that by avoiding further price rises we will not have to pay the resulting penalty of economic dislocation and of economic and human suffering.

#### With Reid, McDowell

(Special to THE FINANCIAL CHRO



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FLORIDA POWER & LIGHT COMPANY MIAMI, FLORIDA

the bowels of the Arctic tundra for petroleum. It is said of Alaska that it probably contains every mineral in the table of elements; probably all are within the shadow of Mount McKinley, at 20,320 feet, the highest peak in North America.

The tremendous sweep of green that is Alaska's forest is virtually untapped. But a new, big, bristling Pulp Mill, built at a cost of \$56 million hums the quick tune that keeps Ketchikan jumping.

But, as I pointed out, Alaska is remote.

To the transportation industry, this means a challenge, challenge we are beginning to meet and will meet In 1959 with greater vigor. Already, passenger flow in and out of Fairbanks, key city in the heart of Alaska, has more than doubled for Alaska Airlines, Inc.

Alaska is slowly learning to pull food from the rich but mostly untended soil; today the new state imports 90% of its foodstuffs. Automobiles, washers, dryers, electric irons, clothing and thousands of other necessary items must be brought in from the other 48 states. Alaska's population of 220,000 persons must double and redouble before surface transportation can meet the needs of the state's unique climate and economy. Until then airlines will be the vital arm of transportation in the north. This coming year will be the busiest for air transportation.

Since Alaska has one of the greatest natural tourist lures in the world, it may find its biggest business by developing this God-given resource. Tourists will probably bring into the 49th State more than \$30 million this year and with the signing of the Presidential decree making Alaska's statehood law, next year should add

several million to this figure. Fishing is both an \$80 million annual business but is likewise another tourist attraction. No bigger salmon exist than those caught in Alaska's chilly waters. Petroleum exploration activities have led some economists to predict that in a few years petroleum will over-shadow all other industries in Alaska; a bold prognosis considering the \$400 million expansion in lumber and pulp in Southeastern Alaska. Alaska-new, bright and potential-must have its link with its neighbors to the South. In 1959, Alaska Airlines intends to assume the important role of providing that link.

#### F. R. WILLS

#### President, General Acceptance Corporation

The renewed confidence which consumers are showing In their attitude toward job stability and their sureness about future income is the key factor in the outlook for the consumer finance industry in 1959. A reliable baro-

meter of consumer buying intentions has been the series of studies conducted by the Research Center of the University of Michigan. Their latest survey reports that a marked upin consumer optimism has taken place since the mid-summer of 1958.

The trend of personal income in the United States provides another encouraging factor. The annual rate of personal income (seasonally adjusted) for the first 11 months of 1958 was \$352.9 billion as compared with \$348.0 billion in the corresponding period of 1957. These figures indicate a healthy recovery from the downward trend of late 1957 and early 1958. Gains in consumer income cus-

tomarily have brought increased interest in and demand for consumer credit.

F. R. Wills

In particular, the volume of automobile instalment credit extended by our industry is expected to show an impressive increase in 1959. Conservative automobile Industry sources predict that new car sales in 1959 will range between 5,100,000 and 5,500,000, which will compare with total expected factory sales in 1958 of about

Also contributing to a more favorable outlook for automobile instalment credit is the fact that the recordbreaking volume of instalment credit extended for car purchase in 1955 has been largely liquidated by now. Furthermore, 1958 was the first year since 1954 that the amount of automobile instalment credit repayments exceeded credit extensions.

It appears at this time that the consumer finance industry will be able to obtain ample funds at relatively reasonable rates in 1959. While interest rates which finance companies pay for their funds rose substantially during the second half of 1958, it appears unlikely that the Federal Government will again permit a return to an excessive "tight money" policy.

The extent of General Acceptance's faith in the future is perhaps best evidenced by our willingness to complete two major expansions in 1958—the purchase of 18 offices of Admiral Finance Corporation and 14 offices of Chevron Finance Company. "GAC" now has a network of 194 offices from coast-to-coast. With these acquisitions, our company is in a much better strategic position to benefit from increased public demand for consumer finance services.

Summing up, the all-important element is greater confidence on the part of the public. Jobs seem more secure and this attitude is being translated into a more liberal approach toward undertaking credit obligations. This climate of consumer optimism should make 1959 one of the best years of the past decade for the consumer finance industry

#### R. BAXTER WILSON

#### President, Mississippi Power & Light Company

The recession of 1957-58 did not affect the economy of Mississippi to the same extent as the nation as a whole. Jackson, the state capital, ranked during six consecutive months of 1958 as the top city nationally on the basis of

improvement in general economic conditions over the prior year. While the rate of growth, or expansion, for the state as a whole slowed some-what in 1958, business activity exceeded that for 1957 by some 6%. From this higher plateau a further increase of 6 to 8% is anticipated for the year 1959.

Agriculture is an important income producer in Mississippi and all indications point to a significant improvement in this area. Cotton production in the last two years has been disappointing due to adverse weather and to the fact that so much land was withdrawn from production

through the "soil bank" program.

It is estimated that "average" weather, abandonment of the "soil bank," and more flexible acreage controls will result in an increase of 23% in farm income from this source. Production of meat, poultry, and staples has been growing steadily as important income producers and this trend is expected to continue. While the prices of beef and pork are projected to recede somewhat this fall, the stability of this group as a whole should not be adversely affected and income should increase about 3% over 1958. Over-all cash farm income should exceed that for 1958 by about 9%.

Location of new industry and expansion of existing industries in the state are expected to proceed at a rate roughly equivalent to that of 1958. Industrial production, however, should be generally upward during 1959 reflecting national trends. The high level of building activity, expanded highway program, and anticipated increase in agricultural production should stimulate output of certain industrial groups which were depressed during 1958.

Manufacturing and non-agricultural employment in Mississippi have reached record levels recently and a further increase is indicated for 1959. The drop-off in agricultural employment experienced in recent years (through mechanization and reduced acreage) should stabilize at or above the current figure. As a result, it is expected that 1959 will find more people employed at higher wages and that this will support new records in sales of goods and services.

The year 1958, for our business, did not produce any contraction but simply resulted in a smaller than normal rate of growth. Industrial revenue, for example, increased nearly 4% during the recession period. In 1959 we expect to do somewhat better than in 1958. Residential Revenue should increase about 8%, commercial and industrial revenue about 6%, government and municipal revenue about 4% over the prior year. Over-all, we expect our rate of revenue growth from these sources to be about one-and-one-half times that of 1958.



#### President, Baltimore Gas and Electric Company

At the threshold of the new year, business activity in the Baltimore area is showing a steady comeback from the low levels which extended through the first six to eight months of 1958. Electric power consumption

-a good economic barometer - of about half of our large high tension customers was not affected downward by the recession. The lines of industry which showed increased usage for the year include, among others, can manufacturing, electrical equipment, lumber and building products, paints and pigments, rubber products, soap products, stone products, and Federal Government were affected had fully or substantially recovered from the drop by the end of the year, the principal classes of this kind being chemical, acid and fertilizer manufacturing,

meat packing, stainless steel production, metal fabrication, and paper and felt manufacturing

Figures for December are not yet available, but based on the 11 months ending with November, we expect cubic foot sales of gas for the year will exceed 1957 by about 13%, and kilowatthour sales of electricity to be just about equivalent to last year. Increases in electric sales to both residential and commercial users were offset by a decrease in industrial sales. For 1959, sales of gas are expected to exceed 1958 by about 10%, with sales of electricity showing an increase of 8%. These figures exclude electric sales to a large steel mill where some of the power our Company supplied in 1957 was displaced by the addition of a generating unit using by-product fuel.

During the past year our Company recorded net gains of over 8,600 residential electric and over 5,800 residential gas customers. There was a decline in new home construction which extended through August. In September, however, a marked improvement in housing starts was noted. At the end of November, the number of building permits issued for the preceding three months showed a 70% increase over the corresponding period of 1957. This fact, coupled with reports from

our larger builders, is indicative that new home construction in 1959 will be well above that for the past year.

Business obtained during 1958 from industrial and commercial customers for new electric and gas installations is estimated to produce a net increase in our Company's revenues of about \$5,300,000 annually. Contracts to supply new gas installations exceeded all previous records, being 38% greater than for 1957. New electric contracts showed a small increase over the preceding year and were the second highest in our history. A considerable amount of this new business will not be connected to our lines until some time during the coming year. We have prospects for 1959 of contracts for new commercial and industrial load additions, both gas and electric, closely approximating the 1958 results.

There are a number of specific items which point to an acceleration of industrial activity in the Baltimore area during the coming 12 months. One is the erection here of a \$30,000,000 electrolytic copper refinery, scheduled to begin operations in midsummer. This large industrial acquisition, together with existing copper refining facilities, will make this the nation's second largest copper refining center.

Stainless steel production is increasing rapidly. Of the two large local plants, one has recently added and the other now has under way major expansions of production facilities. There is increased activity in the metal working industries, with several recent sizable expansions by large concerns in this field. Improvement is being shown in chemical and fertilizer manufacture. Manufacturers of electrical equipment are operating at

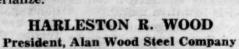
As in the past, future business activity in the Baltimore area will reflect the benefits of the wide diversification of industry here. Our service area of 2,300 square miles comprises the Port and Metropolitan area of Baltimore and all or part of eight surrounding counties. This mid-Maryland section contains about 1,750,000 people, or nearly 60% of the State's population. Industries here also enjoy the advantage of immediate proximity to the nation's capital, a second large and growing metropolitan area which gives a combined consumer market of over 3,600,000 people within a 35-mile radius. In our Company's territory there are more than 2,200 manufacturing establishments, representing every major group in the U. S. Standard Industrial Classification, and a number of these plants rank as the world's largest of their kinds.

During the five-year period 1959 to 1963 we estimate that the growing needs for electric and gas service in the Baltimore area will require expenditures by our Company of \$270,000,000 for new construction, of which about 80% will be for expansion of our electric system, 16% for our gas system, and the remainder for miscellaneous facilities.

The second 125,000 kilowatt unit at our Herbert A. Wagner steam electric generating station is now in final stages of completion and scheduled to go into operation early in 1959. It will increase our steam electric generating capacity to over one million kilowatts.

During the coming year, we estimate expenditures for new construction at approximately \$47,000,000. About \$15,000,000 of this will be for new electric generating capacity and associated facilities, most of which will be initial construction of our new Charles P. Crane steam electric generating station east of the City, where the first 175,000 kilowatt unit is tentatively scheduled for 1961. Other construction expenditures during 1959 include \$22,000,000 for expansions and improvements to our electric transmission and distribution facilities, and \$7,000,000 for additions and improvements to our gas distribution facilities.

Our Company's expansion program is geared to the growth—residential, commercial and industrial—foreseen in this area for 1959 and the years immediately ahead. Based on past experience and current conditions, we have every reason for confidence that this growth will materialize.



The steel industry enters 1959 with renewed vigor and in an economic climate considerably more favorable than that in which it entered 1958.

General business conditions are improving and downward inventory adjustments have, for the most part, been completed by consumers of steel. The upward trend developing in durable goods manu-

facturers' sales and new orders should result in at least a mild build-up of steel inventories in coming months. This reversal of inventory trend will add an increasing impetus to the demand for production of steel.

Steel production will, more than likely, receive a further boost when the 1959 auto styles are available in greater supply and auto dealers increase their inventories to meet the demand for immediate delivery in competitive marketing. Spending for

capital improvements is also expected to develop strength through 1959 as commercial and industrial construction is affected by the general economic recovery.

The steel industry is, consequently, looking forward with confidence to an operating rate averaging 75 to 80% of capacity or better for the year 1959. Alan Wood Steel Company devoted its primary ef-



Continued on page 118

forts in 1958 to consolidation of the improved position it has achieved in the steel market through its recent expansion and modernization of equipment. These efforts resulted in considerable progress in cost reduction and quality improvement, and enabled the Company to operate during the year at a slightly higher per cent of its rated capacity than the industry as a whole. They also resulted in a level of earnings which must be considered satisfactory in view of the poor business condi-tions which prevailed through most of the year. The year 1958 also saw substantial completion of the Company's Iron Powder Plant which will go into opera-

Company's Iron Powder Plant which will go into opera-tion in early 1959. This plant is the first commercial direct reduction plant to be built using the H-Iron method of reduction and holds great promise for the future of the Company. It will provide a further diversi-fication of products, and permit Alan Wood to enter into an expanding market for iron powder to produce molding parts, welding rod coatings, cutting and scarf-ing powders, and high grade melting stock.

ing powders, and high grade melting stock.

Three years of operation, uninterrupted by labor disputes involving contract negotiations, will be completed during 1959. This was accomplished through the acceptance by management and labor of a three-year contract in 1956. Negotiations with the United Steel workers of America will be conducted midway in 1959, and it is hoped that agreement can be reached without involving a long and costly dispute resulting in an economic loss to all parties concerned and the economy as a whole.

With the continued growth of the economy, we look forward to a successful year in 1959, and a continuation of our expansion program to take care of future de-mands upon our facilities which will most certainly result from current technological progress and the nation's expanding population.

#### J. ALBERT WOODS

#### President, Commercial Solvents Corporation

1959 should be a better business year for the chemical industry and for the economy in general. This improve-ment over 1958 is expected to be on the order of a 10% improvement in dollar sales. These gains, however, will not be made without effort.

The upturn of the economy which began at midyear 1958 gathered momentum in the fourth quarter and carried over strongly into the new year. The effect upon the chemical industry was rapid and substantial as major areas of business replenished depleted inventories and resumed moderate to high production levels.

Much of the chemical industry's output finds its way to the consumer in the form of other people's products. The business of chemical companies, therefore, is extremely sensitive to fluctuations in other areas of

the economy. With the automobile industry signalling a 20% increase in production, textiles predicting a healthy year ahead, housing starts estimated by the Federal Government at better than 1.2 million and the Gross National Product expected to rise by 10%, the chemical industry has good

reason to anticipate continued improvement in 1959. Not all the signs are so encouraging. Although profits may be expected to increase in 1959 they probably will not keep pace with the increase in sales volume. Rising taxes, raw materials and labor costs with the effects of overproduction in some markets are likely to offset to some extent the benefits of expanded business. The price breaks which troubled much of the chemical industry during 1958 probably will not repeat themselves

Continued on page 118



J. Albert Woods

# CORPORATION

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## Public Utility Securities

By OWEN ELY

#### Indiana Gas & Water Company

ganized in July, 1945, to acquire commercial customers at the end the gas and water properties of of 1957. Public Service of Indiana. Louis Capitalization as of April 30, B. Schiesz (previously Executive Vice-President of Public Service) became President of the new company and is now Chairman of the Board. Gas service is furnished to 61, and water to 7 communities, in the central, north central and southern parts of Indiana; New Albany, Lafayette and Bloomington are the largest cities served. The population of the area is about 405,000.

The service territory is highly industrialized, including companies such as General Motors, Chrysler, General Electric, Colgate-Palmolive, Pittsburgh Plate Glass, Aluminum Corp. and Le-high Portland Cement. The area contains the finest gypsum deposits in the U.S. and in 1955 interconnection was made with National Gypsum and U. S. Gypsum at Shoals. Agriculture is extensive and diversified. The southern service area is considered part of the Louisville, Kentucky, met-ropolitan district which has been enjoying considerable growth.
Gas sales contribute about 91%

of revenues and water 9%. Residential (including heating) service provides 54% of gas revenues, commercial 14%, industrial 30% (of which 18% is firm) and miscellaneous 2%. There are about 105,000 gas customers and 32,000 water connections.

While the company buys about 99% of its gas, manufacturing plants are maintained for emergency and peak shaving, with a capacity of about 10,350,000 cf of 1,000 btu gas.

Principal suppliers are Panhandle, Texas Gas Transmission, Ohio River Pipeline and (for a very small amount) Texas East-Panhandle and Texas Gas supply the major part of the requirements; the Panhandle con-tract runs to 1966 and the remaining contracts to 1973-6. Gas purchase cost averaged a little under 30 cents per mcf in 1957. However, suppliers have been raising their rates, subject in some cases to adjustment and refund under cases pending before the Federal Power Commission,

The company maintains three underground storage fields in Inlocated near Unionville, Greensburg and Lafayette. The capacity of the first two fields is about 2.4 billion cf but the capacity of the third has not yet been reported, as it was placed in operation only about a year ago. Maximum peak daily deliveries of the two older fields would approximate 20 million cf compared with the maximum day sendout in 1957 of 135 million cf.

The company has shown good growth, with revenues more than tripling in the decade ending 1957. As with other companies in the Middle West, residential space heating furnished the impetus for growth with sales increasing from 1.9 billion cf in 1948 to 7.7 billion in 1957. Commercial space heating jumped from 0.6 to 2.2 billion (regular residential and commercial sales gained more slowly). Firm industrial sales increased from 1.7 billion of to 5.9 billion and interruptible sales from 0.6 to 6.4 billion. Average revenue per mcf from residental space heating last year was 90 cents and from other residential customers \$1.21. It was anticipated that service would be extended to 4,700 new spaceheating customers during the 1958-9 heating season, assuming approval by the State Commission. Space-heating saturation

Indiana Gas & Water was or- was 52% of total residential and

Capitalization as of April 30, 1958 was: funded debt 52% and 1958 was: funded debt 52% and common stock equity 48% (there was no preferred stock outstanding). In July the company sold \$3 million 1st 4% bonds privately. The present number of common shares is about 1,556,000. There has been no public offering of common stock since rights were issued in 1951. The stock was split attention of 3.45% nine-month debentures, dated Feb. 2, 1959 and maturing Nov. 2, 1959. Price at 1951 and 1954. Stock dividends part the debentures are being of 2-for-1 in 1954. Stock dividends of 3% in 1956, 2% in 1957 and 2% in 1958 have been paid.

Share earnings have followed an irregular trend, averaging about 95¢ in the years 1949-53 and rising to \$1.55 in 1956. However, 1957 earnings dropped to \$1.40 opened for a total of \$10 million opened for a total op gas increased 10% and other expenses 11.7%. Firm industrial gas sales continued their steady year-to-year growth, with an in-crease of nearly 10%, but in-terruptible sales were down 15.5%

Join due largely to the prolonged labor strike in the cement industry.

In the 12 months ended Nov. 30, 1958, share earnings were \$1.50 Fox and Louis Ross have joined vs. \$1.43 in the previous 12 the staff of Jaffe, Lewis & Co., months. Revenues showed a gain 1706 Euclid Avenue, members of of 10% and net income 9%, but the stock dividend curtailed the increase in share earnings.

quoted around 25 in the over- with Ross, Borton & Co., Inc.

counter market recently. regular cash dividend rate of \$1 yields 4% and the 2% stock dividend would increase this to 6%. The year-end stock dividend has now been paid for three year and according to the 1957 report "recognizes the fact that a part or the earnings of the company have been retained in the business and that a portion of the earned surplus is, in effect, permanent capi-tal." The price-earnings ratio is about 16.7.

par, the debentures are being of-fered through John T. Knox, Fiscal Agent, and a nationwide selling group of securities dealers.

It was also announced that an issue already outstanding with a maturity of Aug. 3, 1959, was re-

Proceeds from the financing will be used to refund \$136,500,-000 13/8 % debentures maturing

#### Join Jaffe, Lewis

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio - Albert the Midwest Stock Exchange. Mr. Fox was formerly with Edward Indiana Gas & Water has been N. Siegler & Co. Mr. Ross was

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to the same degree in 1959. However, widespread price rises sufficient to offset increased costs are not likely, either.

There is little to indicate that employment in the chemical industry will increase materially. The cost reduction and economy programs effected during the recession, the effects of the technological advances in recent plant expansion and rising labor costs can be expected to work against more hiring. Such payroll expansion as may take place will probably be in the research and marketing areas.

In summary then, look for a tendency among chemical companies to emphasize more profitable utilization of existing facilities, further elimination of non-profit items, more effective use of personnel, close control of inventories, continued attention to cost reduction programs and no substantial increase in major capital outlays for expansion. While some costs will continue to rise, prices should improve modestly. Sales will be ahead of 1958 by at least 10%. Earnings will rise, but not in the same ratio as sales. While 1959 will not be a peak year in the economic cycle, it promises to be a good one for business.

#### JAMES RALPH WOOD

#### President, Southwestern Life Insurance Company

In addition to the usual factors which affect the business of life insurance, there will be added this year that of Federal taxation. The question in this area is not so much as to the amount of taxes that the companies should or will be required to pay, but, rather, whether the formula will maintain the competitive status that has so long existed in the life insurance business or whether it will give an advantage to the mutuals over the stock companies.

As you probably know, some 20 odd mutual companies have had a bill introduced which, if passed, would shift to a large extent the tax burden from the big to the small, with the result of giving the mutuals such com-petitive advantages as to possibly eliminate stock life insurance companies. I still have that faith in the American people and their representatives in Congress that I do not believe such a law will be passed.

However, there is no question but what the Federal taxes of the companies will be changed and increased and, until this matter is settled, it would be pure guess to try to forecast the outlook for 1959. I appreciate your courtesy in suggesting that mayhap my views might be of interest to your readers.

#### BEN H. WOOTEN

#### President, First National Bank in Dallas, Texas

We continue to be optimistic about the economic future of the Southwest. A decade and a half of rather rapid industrialization here shows little evidence of abating. Its momentum no doubt kept the Southwest from feeling

the full force of the recent recession. In fact the recession had only a moderate impact upon our section of the country.

Banking activity and growth reflect the expanding regional economy which we serve. The vigorous trend of industrial development and the persistently high business activity here have sustained a consistently strong demand for loans and other bank services. We just closed the most impressive year in our history. 1959 looks even better.

Abiding confidence in the economic future of our area coupled with rapid development in all phases of banking has prompted many banks in the Southwest to enlarge their capital and expand their

Ben H. Wooten

Of course, no region or area can insulate itself completely from national business trends and fluctuations; and no small amount of confidence among busine people here stems from a belief that the U. S. economy as a whole is headed upward toward record highs in 1959, despite some disturbing elements that plague us all. One of these is inflation, fear of which has been mounting and could reach alarming proportions. Another is the seemingly irresistible increase in government spending (Federal, state, and local) whose magnitude makes not only the total tax burden heavy but contributes to inflation through unbalanced public budgets regardless of

Needless to say, efforts to keep the forces of inflation contained have generated fluctuations in the money market which create investment problems for commercial banks and other financial institutions. We fully expect these conditions to continue in 1959. At the same time we hope that they do not become so disturbing that the basic strength of our economy will be afflicted.

#### C. G. WRIGHT

#### President, Otter Tail Power Company

That part of the Upper Midwest served by Otter Pall Power Company (northwestern and west central Minnesota, eastern North Dakota and northeastern South Dakota), because it is predominantly agricultural in charaeter, establishes its own economic trends based on weather and crop conditions, farm prices, and other factors related to agriculture. As evidence of this fact, it can be pointed out that the industrial recession in the East had little or no influence on Otter Tail Power Company's growth and income during the 1957-1958 period.

In general, 1958 was an excellent crop year throughout the Company's service area. Business conditions, with few exceptions, were correspondingly good. Personal incomes appear to be rising in line with the generally upward trend in the area. North Dakota is expected to have an all-time record high of farm income.

Very apparent in this part of the Upper Midwest is a growing interest in developing new industries geared to the agricultural economy. New food processing plants in particular have been established and others already existing have been expanded. There is every reason to believe that food processing will become of utmost importance to the prosperity of the region in the years

In the western part of the Company's service area, the petroleum industry has proved itself to be a healthy and growing business that has done much to bolster the econcmy of the region. Pipe line pumping stations have brought about an increased demand for electric energy.

To the east, the St. Lawrence seaway development holds great promise for the region by opening up new markets for the crops grown and the products produced in the area.

In conjunction with the University of Minnesota and aided by a Ford Foundation grant, the recently announced Upper Midwest Research and Development Council's plan to study the economy of the 9th Federal Reserve District should do much to focus attention on and heighten interest in the area in the next several

In 1959, it is expected that Otter Tail Power Company and the electric utility industry in the area will continue to develop according to the growth pattern of about 7% per year established in recent years. Population growth in the area has been slow, but it is expected that increased use of electrical energy will come more from new uses of electricity rather than from the addition of new customers.

Crop conditions and farm prices will be strong determining factors in how much Otter Tail Power Company will grow in 1959 and the years beyond. However, the agricultural economy of the area at the beginning of the new year is sound and there is every reason to expect that the Company's growth will continue at the same pace as in 1958.

A busy year is in prospect in carrying out the Company's 1959 construction program budgeted at \$9,150,000. There is no reason to think that any part of the program can be postponed. All of it will be necessary to keep pace with increased customer demands in the Otter Tail Power Company service area in the year ahead.

#### W. W. WRIGHT

#### Vice-President, Finance, Beckman Instruments, Inc.

Our business is in the electronics field with particular accent on instrumentation. We have a substantial portion of our business in components which are used by other instrument and systems manufacturers and

by the military. Approximately 15 to 20% of our total sales appears to be directly related to defense expenditures. In addition to government expenditures in the defense area, our business is also affected by government expenditures and grants in the fields of medicine and health since we produce and sell a substantial amount of medical instruments.

In general, it is our opinion that the electronics and instrumentation business will continue to be growth industries. By this we mean it is our belief that the rate of growth will continue to average substantially above that of the national economy as a whole. Our own business and that of the industry, how-

ever, will have a gradually declining percentage of growth annually due to the fact that the growth each year will be applying to the larger base of the previous year. Thus, for the longer term, we are now thinking in the range of 10 to 15% growth per year. This compares with our understanding of the growth of the national economy in the range of 3 to 4%.

Returning now to our outlook for the year 1959, we are not expecting that this will be a year which shows quite the growth that we expect on the average for the next several years.

Defense spending has picked up but this is not a large enough portion of our total business to produce a substantial increase in our total sales. The sales of medical instruments will continue to improve, particularly if the increased government grants to hospitals, research laboratories, and medical colleges become available for expenditure. New products in this line will also assist us toward higher sales in 1959.

The majority of the remainder of our products are tied in with capital expenditures in industry. I am sure that your readers are well aware of the fact that capital

expenditures in 1959 for industry in general are expected to be only slightly ahead of the year 1958 and far below the level that occurred in 1957.

Volu

The one bright spot in the capital expenditure area is the fact that substantially higher percentages of the total industrial capital expenditures are being made for instrumentation and control equipment. This should enable us to have a level of sales in these areas somewhat above that which occurred in 1958, but we can hardly expect 1959 to be an exceptional growth year.

Certainly, at the present time, we do not foresee any need to substantially increase our production facilities to meet much higher levels of business than are currently being achieved.

The whole field of electronics and instrumentation is becoming more competitive. The price structure of our products is, therefore, becoming rather more of a factor than it previously was in determining the total volume of business which we shall do.

We believe, of course, that the same factors are applicable to the many other firms in the electronics and instrumentation fields.

One of the reasons why the business is so competitive is the fact that you can begin a business in these product lines without a substantial amount of starting capital. This is an invitation to employees of the firms already in the business to go out on their own and start a competitive business. These competitive businesses frequently get into rough going due to the lack of sufficient capital and start price cutting in order to obtain sales in sufficient volume to meet their payrolls and other obligations.

The next few years will, in our opinion, see a considerable shakeout of many of these smaller firms. We question, however, if there will ever be again the high profit margins which some of the businesses in the electronics and instrumentation field had in earlier the part protection as and a second

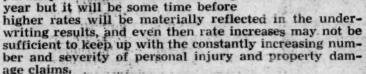
## MILES F. YORK

#### President, The Atlantic Companies

It is about as risky to forecast a year ahead in the insurance business as it is to pick the All-American Team before the football season commences. Neverthe-less, as 1958 were to a close there were signs that the longest adverse cycle in the history

of property and casualty underwriting was coming to an end.

Despite the modified optimism prevailing, however, automobile underwriting still gives cause for much concern. At this writing the industry has not yet been able to get anything approaching adequate rates in New York and, inasmuch as this State produces over 20% of the automobile bodily injury and property damage premiums, the heavy losses sustained have had a very serious effect on the whole automobile account. Presumably this situation will be at least partially corrected in the coming year but it will be some time before



With a higher level of rates and with the expected improvement in the economy, the overall volume of premium ought to increase in 1959 from say 5 to 10% and if, as seems indicated, the insurance business has turned the corner, the year could be a reasonably good one. It must not be overlooked, however, that inflation is the biggest threat to both property and casualty in-surers and, unless this is held to moderate proportions, the industry will always be fighting to keep up with rising claims cost.

It is probable that the year will see some further expansion of the property companies into the life insurance field. This movement already has had a substantial start, and with it may come an extension of monthly premium payment plans, a number of which were announced in 1958. All of this, of course, tends to put increasing competitive pressure on the small companies, many of which already feel under compulsion to enter into the multiple line field, although some are neither adequately staffed nor financed. This might lead to some additional mergers; in fact, it is my opinion that mergers or consolidations will be increasingly common until the industry adjusts itself to multiple line underwriting.

The question of costs is a concern to all insurance managements as the battle lines are drawn between the direct selling and the agency represented companies. The latter find themselves in a squeeze and, while some saving undoubtedly can be effected in their operating exmenses, any material saving must come from reduced production costs.

On the investment side of the business, it is too early to tell what course the companies followed in 1958. However, it is my impression that the principal buying was in the tax free securities and I would guess that on balance governments and corporates were reduced. There was some selling of equities during the year but probably on the whole there was little change in equity hold-



ings. The appreciation in equities, nevertheless, was substantial and this resulted in marked-increases in surplus despite the absence of any material contribution from underwriting operations.

All articles like this ought to carry a hedge and, in concluding, I would like to say that the foregoing has been written on the assumption that there will be no general war and that the year ahead, will be free from an abnormally large number of catastrophic losses.

#### WILLIAM ZECKENDORF President, Webb & Knapp, Inc.

Continued strength in the market values of real estate is the outlook for 1959.

Real estate will probably attract a larger percentage of the money seeking flight from the dollar than during

the past year. Securities have reached an all-time high with an unprecedented low yield. Real estate, on the other hand, has not increased as rapidly and offers greater opportunities for higher income and capital gains.

The further tightening of money is of course an inhibiting factor, working against the high real estate yields. Fixed yield real estate will follow the same downward trend as government and high-grade corporate bonds. This is not a reflection of real estate values but of the money trend.

Higher margin requirements on securities have had the effect of reducing leverage, and this will be another factor working

in favor of real estate equities. Construction of housing for lower and middle income

familities will be active, with a limited amount of development at high rentals. Industrial building will probably be on a moderate basis. There will be an increment in the value of rural and

suburban land. Second grade urban property will also appreciate reflecting a further increase in the number of urban renewal programs throughout the country. Building costs should remain stable. Labor and raw

materials should be in reasonable supply and employment in the building trades will be slightly above 1958 on composite basis.

While the real estate picture appears good, I see nothing spectacular in the 1959 trend....

#### PHILIP M. ZENNER President Royal McBee Corporation

The year 1958 was one of readjustment and reevaluation for almost all of American business, including

the office equipment industry.

The 1957-58 recession had a direct effect on most industries in terms of sales and profits. It also had the indirect effect of bringing into sharp focus the mounting problems faced by man-agements in their efforts to control

costs. An across-the-board deflationary trend did not take place during the recession. Rather, the manufacturer who was facing a descending sales curve also was facing a steady inflationary movement in wages and prices of materials which would ultimately affect the price of his

own products. Apparently this inflation is to be a condition with which industry

must reckon through the foreseeable It presents one of the greatest challenges American industrial management has ever encountered, particularly in the face of accelerated imports from foreign manufacturers who enjoy constantly rising worker productivity under more moderate inflationary wage trends. In meeting such a challenge, management's progress should now be viewed not in the light of temporary gains but in the perspective of sound longrange progress.

Management's principal obligation to its stockholders and employees is to make the business grow-in fact it must grow, in both health and size if it is to survive. Maintaining a profitable operation, of course, is necessary. But earnings in any one period can no longer be used as the yardstick of management. Such earnings are often susceptible to influences beyond the immediate control of management. Examples of such pressures are general business recessions, unsound marketing and pricing practices by competitors, and inflated wage and benefit demands by labor. The damaging effects of such factors on both earnings and growth have been felt by American business generally during much of the past two years.

Nineteen fifty-nine gives promise of providing a more favorable climate in which management can make at least some of the needed adjustments to our more competitive economy and, through them, improve earnings.

We expect 1959 to be a better business year in both sales and earnings. Of equal importance, we expect during 1959 to make significant strides in the program for continued expansion of our entire business as the best means of adjusting to the new economy.

Continued from page 3

## The Business Environment Ahead

These volatile sectors, in the aggregate, are likely to be expanding over the near term, and this prospect may be taken as confirming the outlook for a rising level of business in 1959. As of this moment, however, there is no concrete indication that expansion in any important sector will assume dramatic proportions

Rapid liquidation of business inventories was a major factor in the decline of industrial activity in the early months of 1958; conversely, the slackening of liquidation was largely responsible for the subsequent upturn. As is usually the case after such a correction, inventories in many lines, but especially in trade, are now said to be below normal working levels.

With sales and orders improving, some industries are already reported as beginning to rebuild their stocks, and the better business outlook, together with the possibility of a protracted steel strike next summer, argues for a renewal of a more general inventory accumulation in the period ahead. As long as no steep price increases for raw materials appear in the offing, the trend toward reindustrial raw materials as well as for finished goods appears ample to meet requirements for quite some time ahead. It should be rements. Should a surge toward inventory accumulation take hold, business prospects might be affected to a greater extent than can be anticipated at this time.

#### Capital Spending Outlook

The decline in business spending on plant and equipment, which also contributed to the recent recession, appears to have come to an end. The recovery in industrial activity and the rapid improvement in corporate profits should mean gradually higher outlays in 1959. This conclusion is supported by recent surveys of spending intentions and capital appropriations and by the behavior of new orders for machinery and machine tools. Rising wage rates are continuing to generate strong pressures for the installation of costsaving machinery and equipment. However, capital outlays in the important manufacturing category presence of considerable unused capacity, a fact which is reflected in the sluggish behavior of contracts for industrial construction. In short, a wave of business inyestment spending akin to that which sustained the business boom of 1955-57 is not yet in sight.

Private construction in the aggregate is expected to set new rec-ords in 1959, both in dollar amount and physical volume. Experts in the field describe the outlook as generally favorable for most types of building activity, with the exception of industrial construction. Elsewhere, including residential building, the volume of contracts awarded in recent months augurs for a high and rising rate of con-struction—at least for several months to come.

Housing starts were stimulated in 1958 by the favorable financing conditions that prevailed in the first half of the year, the large purchases of mortgages under Federal programs, and the further liberalization of credit terms for

ing and foreign purchases. Over the long term, of course, demands gages. As a result, the annual rate here too are in a rising trend, but of starts rose from some 900 thou-interim fluctuations in these sectors often are fairly broad and are in fact responsible for most of the highest since 1955. The abcyclical ups and downs in busisence of any evidence of a resurness, including the recession of gent business investment boom 1957-58. suggests that mortgage money should be fairly readily available in 1959. Even without further large assistance from the Government, private home building seems likely to equal or exceed the 1.1 million starts estimated for 1958.

#### Automobiles in Particular

The poor state of the market for new automobiles was another important depressant in the 1958 economy, and only in very recent weeks have sales registered any real improvement. However, since output late in 1958 was curbed by labor troubles and would-be buyers were discouraged by the absence of new cars in the showrooms, the record to date provides little dependable evidence of the public's response to the 1959 models.

The economic environment in almost every respect appears to favor a substantial increase in output and sales of automobiles and many other consumer durables in 1959: employment is on the upgrade, personal income is setting new records, the borrowing capacity of many consumers has been enlarged, home building is strong, the replacement market stocking is unlikely to become ag- for automobiles has broadened gressive; productive capacity for and some automobile purchases deferred because of the uncertain business climate in 1958 may be expected to be consummated in 1959. Since there is less leeway called, however, that inventory for the liberalization of instal-policies are particularly sensitive ment credit terms which sparked to changes in business expecta-tions and international develop- that year's record sales of 7.2 milthat year's record sales of 7.2 million cars is unlikely to be challenged, but there is every reason to anticipate sales of domestically produced automobiles climbing to the neighborhood of 5½ million in 1959 for a gain of perhaps 11/4 million above 1958, despite the prospect of further inroads being made by foreign cars.

#### Federal Spending

Federal Government orders and spending have been stepped up considerably in the past year-a development which undoubtedly aided the business recovery. Not only has defense spending been increased, but non-defense expenditures have risen sharply with greater social security and unemployment benefits, higher ever, the expansion in world trade Government salaries, and heavier has recently leveled off, thus pre-Government salaries, and heavier disbursements in connection with

housing and urban redevelopment programs and agricultural pricesupport operations.

Despite the insistence, inside and outside the Administration, on the need to restrain Government spending, it is most unlik that the upward course of Federal outlays can be reversed in the year ahead. In fact, strenuous efforts will presumably be required to hold down further substantial increases. The cost of de-fense is being boosted, at least for the present, by rapid tech-nological advances; the uneasy state of international affairs argues against important reductions in this category in the near fu-ture. At the same time, many Government programs initiated in earlier years now call for larger and larger appropriations, and powerful pressure groups are agitating for the adoption of additional programs. Pending the determination of Congressional action in the months to come, the most reasonable expectation at the moment is that Government expenditures will continue up-ward in 1959, although the rise may be less than in 1958. Obviously, such an appraisal must be based on the assumption that the international situation will not change appreciably in the period ahead.

#### **Export Trade**

While our imports were maintained surprisingly well during the recession, our exports plunged sharply from their 1957 peak. In part, this reflected a readjustment from the temporary stimulus provided to overseas shipments by the Suez crisis, crop failures in Europe, and United States Government programs for selling agricultural products abroad against local currencies. In addition, foreign competition is beginning to have an effect upon our foreign trade. Foreign producers are demonstrating an impressive ability to compete in the United States market both in terms of price and quality. By the same token, our xports are meeting with increasingly stiff competition from producers abroad, and the substantial advantage enjoyed by foreign manufacturers because of lower labor costs suggests that this trend may become even more insistent as time moves on.

The upturn in business activity presages some increase in imports not only of raw materials but also of manufactured goods. As regards exports, the substantial improvement in gold reserves and foreign exchange positions of many European countries and the recent steps toward currency convertibility may permit higher foreign purchases from the dollar area. How-

Continued on page 120

## **GROWING WITH A GROWING AREA**

1949 - 1958 — Ten Years of Steady Progress

85% Plant Investment up Operating Revenues up 82% 145% KWHR Sales up 87% Residential Use up Earnings per share up 26%

(The above comparison is based on 12 months ended November 30, 1958)

MASSACHUSETTS COMPANIES WESTERN

and its principal electric subsidiary WESTERN MASSACHUSETTS ELECTRIC COMPANY

## The Business Environment Ahead

the volume of United States exports may have stabilized at its reduced level, no great resurgence is currently in evidence.

#### Major Problem Areas

This general review of the prospects for 1959 indicates that demands in almost all important sectors of the economy should be adding to the volume of output. Demands currently in evidence thus lend support to the widely accepted forecasts of a gross national product around \$470 billion for 1959 as a whole, with activity on a rising slope over the next 12 months. Should prices embark on a pronounced advance, the dollar emount of gross national product would presumably be higher.

Such forecasts, however, must be regarded as tentative appraisals of what is discernible today rather than as firm predictions of the future. In the light of last year's experience, when the recession was both sharper and shorter than generally expected, it is prudent to allow for the possibility, if not the likelihood, that as 1959 unfolds, the course of the economy may be affected by a number of imponderables hovering over the business scene. The high state of business confidence, bolstered by the brevity of the recession, could boost demands by consumers or business well above the levels here enticipated. At the same time, the development of a boom psychology, labor troubles, the wage-costprice spiral and inflationary pressures from various sides could create troublesome problems for bus-

#### Inflation

psychology has become an increasingly disquieting force in the American business scene. Expectations of inflation undoubtedly played an important part in the business boom of 1955-57, and subsided only mildly and temporarily in the subsequent recession. With the recovery in business, they were given renewed impetus by the absence of any significant easing in prices, particularly prices of manufactured goods, and by the persistence of the wage-cost-price spiral in the face of increased unemployment, charply reduced profits and large unutilized productive capacity. The prospect of a record budget deficit for a peacetime year has further strengthened these expectations, and today inflation psychology appears to be more widespread in the United States than in a great many years.

business ability draft expansion of industrial facilities, or large forward buying able. by the public - the eventual reful correction. Even more alarming is the prospect of inflationary and gaining momentum.

wage-cost-price spiral, which is events would not only confirm being accentuated, moreover, by the widespread expectation of the frequent incorporation of ever rising prices but would also escalator clauses and so-called raise problems for business man"improvement factors" in wage agements. contracts. Rising costs and prices,

sumably moderating demands for mate compels the Treasury to rely American goods. On balance, while more heavily on short-dated the volume of United States ex-obligations, which in turn impedes credit restraint and makes for larger expansion of the money the very real prospect of another supply. Yet another example is squeeze upon profit margins comthe pressure for higher Govern- parable to that which developed ment spending to protect favored in 1956 and 1957. groups and favored projects from feeding on itself.

vigorous increases in commodity dustrial resources, has for many ness of spiralling wages years been helpless against the prices. progressive depreciation of its currency and the spiralling of inflation, and where drastic action has just been announced in another effort finally to stem the tide. Admittedly, there are many points of difference between the two countries, but even in the United States, the inflationary pressures have become too persistent and pervasive of late to be ignored.

#### The Labor Situation

Concern over further inflationary pressure, as well as some posiness and for the economy as a sible unsettlement in business conditions in 1959, is currently enhanced by the likelihood of demands by labor for large wage in-The spread of inflation creases. This expectation is supported by the rising level of business activity, the recent improvement in corporate profits, the persistent advance in living costs and the fact that wage contracts are up for renewal in some important pace-setting industries, such as steel. The implications are twofold-there is the prospect of costly interruptions to output, and a further increase in wage rates which may lead to renewed pressures on profit margins.

postwar years shows, that even the course of aggregate business some decline in industrial production in the strike months and to Such expectations present a real being so well advertised provides of contributing further to inflathe continued rise in prices of an opportunity for advance stock- tionary pressures, adding to the and economic progress. Whether ing, which may serve to reduce strain on our balance of payments, they come to manifest themselves the impact of whatever stoppages in speculation in equities, com- materialize. Profits in the affected modities or other tangible assets, industries, however, will certainly deterioration of the competitive charply accelerated accumulation be affected, and the extent to position of American industry of business inventories or forced- which lost profits may subse- and of American labor-in world quently be recovered is question-

Furthermore, past patterns sugsult is likely to be serious gest that in a period of good busi-economic unsettlement and painness-as is in prospect for 1959 and living costs. -demands for wage increases exceed gains in productivity for inpressures becoming cumulative dustry as a whole and, if these demands are met, business man- moderate expansion for the econ-This is not just a remote possi- agements in turn seek to compenbility. The risk is very real as sate for higher production costs evidenced by the operation of the by hiking prices. Such a course of

Productivity has been increasin turn, increase the working ing fairly sharply in recent capital requirements of business. months. In part, this reflects the to continue, the consequences for The reluctance of investors to huge investment in modern facil- the business environment can acquire long-term Government ities in recent years; in part it re- scarcely be described as favorsecurities in an inflationary cli- flects economies in operations able.

achieved by business management in the recent recession. However, much of the recent gain the in productivity is due to the up-turn in industrial activity and, if past experience is a guide, will taper off as the rise in output begins to slacken. Thus, liberal wage settlements based upon recent gains in productivity bring

Another penalty of continued the effects of higher prices and large annual increases in wage this further intensifies the budget rates is to hurt the ability of problem. In short, there are more American business to compete and more signs that inflation is with foreign producers, not only in our foreign markets but also For the present and perhaps for in the home territory. More and some time to come, the availabil- more American companies are ity of manpower, raw materials finding themselves compelled to and industrial capacity would establish production facilities seem to mitigate the hazard of abroad in an effort to meet foreign competition and by the same prices in the United States. Such token more and more foreign resources, however, are not neces- manufacturers are attracting sarily a bulwark against inflation American buyers because of their psychology backed by strong in- more reasonable costs for quality flationary pressures. This has merchandise. This development, been well illustrated by the recent which has far-reaching implicahistory of France, where a highly tions for labor as well as business management, casts a searching developed economy, richly en- management, casts a searching dowed with agricultural and in- light upon the oft-cited painless-

#### The Federal Budget

A further obstacle to solid economic progress, also related to inflationary prospects, is the unbalanced Federal budget, Unfortunately, Treasury deficits are adding to credit demands now at the very time when the economy is in an expanding phase, when private financing requirements must be expected to increase, and when an appropriate anti-inflationary credit policy should be in the direction of restraint.

The present plight of the budget is commonly ascribed mainly to the high cost of defense. doubtedly the defense needs of our times are a major impediment to the maintenance of an effective fiscal policy. However, of the \$14.6 billion increase in Federal outlays in the past four years, less than one-third is for national security; the remainder represents larger expenditures for price supports, various Government welfare programs, and general operating costs. Thus, the budget would seem to permit significant economies without impairing our military strength.

Should serious efforts be made It is true, as the record of the to bring the budget under better control, either by way of cutting protracted work stoppages usually expenditures, or increasing revehave only a transitory effect upon rues, or both, the immediate impact on business might well be to activity, although they lead to reduce demands for certain types of goods and services below anticipated levels. Looking down some abnormal rebound there- the road, however, the alterna-The fact that the strikes tive would be chronic Governanticipated for 1959 in important ment deficits, which raise the presumably show a more rapid adindustries, particularly steel, are much more troublesome prospects weakening the position of the dollar internationally, and increasing markets. It also raises the unhappy possibility that economic controls may be used in an effort to suppress the effects upon prices

#### Implications and Conclusions

The prospect of a relatively omy as a whole in 1959, coupled with the presence of deep-seated and insistent inflationary tend-encies, raises some disturbing questions for the future. The net effect of these various currents and countercurrents upon the trend of our economy in 1959 cannot be assessed with assurance, but if these trends are permitted

policy and business endeavor is achievement of economic growth; only in a steadily growing economy can we hope to achieve both national security and a rising standard of living for our growing population. For the past half-decade, however, pace of economic expansion has fallen materially below the 3% annual rate which seems to have been the average over the long-term.

Between the two cyclical lows in 1954 and 1958, the physical volume of goods and services produced—that is, "real" Gross National Product—advanced at a rate of only about 134% a year. If the two peaks of the business cycle in 1953 and 1957 are compared, the rate is only slightly higher, at 2%. Yet this relatively slow rate of growth reflects not lack of capacity to produce-on the contrary, capacity has been expanded materially beyond immediate requirements. It is difficult to reconcile this with the thesis that inflationary pressures stimulate economic growth; rather, this raises a question whether ris-ing costs and prices may not be contributing to maladjustments that hinder the most productive utilization of our resources of manpower, materials and capacity.

As we enter 1959, the economy clearly has the wherewithal to raise output substantially. Unfortunately, and paradoxically, a sharp step-up in business activity is almost certain to give another twist to the wage-cost-price spiral and to add to the already formidable pressures of inflation, thereby further reducing the prospects for steady and sustainable economic growth. Admittedly, so far, the inflation psychology has been confined mainly to the securities markets. It does not appear to have become important in the commodity markets, in business inventory policies, or in capital expansion programs. Neither has consumer spending been affected by inflationary apprehensions. A spread of inflationary anticipations to these sectors of the economy, however, would greatly increase the probability of further and more severe business setbacks in the future.

#### Summary

These comments on the forces at work in the economy indicate the hazards of unqualified statements regarding the course of business or the levels of activity that may be reached as the year progresses. As of today, however, the following general conclusions seem appropriate:

(1) The American economy can be expected to set a new record for output in 1959. Gross nationa product in current dollars will vance than real output because of goods and services. Crucial factors that will affect the pace of the advance in 1959 are the public acceptance of the new automobiles, the course of business investment. the amount of inventory accumulation and the strength in building and construction. If the present recovery follows the general pattern of the past, the rate of the business advance will slow down in the course of the year.

(2) The possibility should not be ignored, however, that eco-nomic activity in 1959 may be carried ahead at a more rapid pace than seems indicated at this time. This might come about either as a result of a further strengthening of the confidence of consumers and business, or as a result of increased demands generated by fears of further inflation, or as a result of deterioration in world conditions.

(3) Business managements face the prospect of serious labor troubles and demands for substantial increases in wages in 1959. The rapid rise in productivity achieved in the early stages of recovery is ton, Calif., and Chicago.

The expressed goal of economic unlikely to continue. On the contrary, within the next 12 months or so, profit margins may again begin to feel the pressure of higher

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(4) The record of recent years suggests that, contrary to some opinion, an inflationary environment is not conducive to the most efficient utilization of economic resources for growth, and probably accentuates cyclical corrections in business inventories and the capital goods industries. In short, inflation may well bear some responsibility for the below-average growth of our economy in

recent years.
(5) Labor, business and government have each on occasion gained some temporary advantages from inflation, but recently the toll levied by inflation has become more conspicuous. This is indicated by the worsening competitive position of American industry in world markets, a less favorable balance of international payments, greater questioning of the dollar, the outflow of gold and the financing problems of the Treasury.

(6) Eventually, these forces may gain sufficient strength to restrain the inflationary trend, albeit, at considerable cost. A more con-structive and lesss expensive alternative would be for the American public to display the courage required to dam the inflationary tide. Halting the wage-price spiral and bringing the budget under control will not be an easy task; it will require political courage by government and a forgoing of temporary advantages by business as well as labor. It is essential, however, if we are to reopen the way toward more rapid and sustained economic growth.

## Kidder, Peabody, Inc. Elects Four V.-Ps.

The elections of J. Franklin Cook, Ehrhardt Groothoff, Ray-mond J. Raff and Harry W. Witt as Vice-Presidents of Kidder, Peabody & Co., Incorporated, 17 Wall Street, New York City, have been announced.

Organized in 1957, the company is affiliated with Kidder, Peabody & Co., securities under-writers, distributors and brokers, founded in 1865.

Messrs. Cook, Raff, and Witt are principally concerned with underwriting and new business; Mr. Groothoff is manager of the foreign department.

Mr. Cook is a Director of La Financiadora Nacional, S. A. Caracas; Mohawk Rubber Co. and Willcox & Gibbs Sewing Machine Co. He served in the U. S. Navy during World War II and was with Lehman Brothers until joining Kidder, Peabody in 1951.

Mr. Groothoff was educated in Chile and Germany. He has been with Kidder, Peabody since 1949 and before that spent 14 years with the securities firms of G. M. P. Murphy & Co. and Hornblower & Weeks.

Mr. Raff joined Kidder, Peabody in 1936. He served in the S. Army, 1943-46.

Mr. Witt, an alumnus of Columbia and New York universities, has been with Kidder, Peabody since 1937, except for 1943-45 when he was in the U.S. Navy.

#### Withdraws From Ohrstrom

Banker and industrialist Merrill Stubbs has announced that he is retiring as a partner of a major New York banking house and will continue his activities as an executive of several companies and chairman of others. He is severing his active association only with G. L. Ohrstrom & Co., New York.

He continues as an officer and director of firms in Pasadena; Washington; Louisville: Redwood City, Calif.; Memphis; Chatham, Ontario; Tulsa; Cincinnati; CompContinued from first page

## What Business Should Do to Curb Inflation, Instability

increase in housing; and a \$7½ billion increase in output stemming from the turnaround in inventory policy, from liquidation in 1958 to stock-building in 1959.

The report also predicts an increase in buying at all levels of crease in buying at all levels of government amounting to over \$7 billion, and a substantial increase of \$16 billion in consumer expenditures. Because of these increases is likely to rise about \$34 billion above the 1958 figure, to produce a Gross National Product for the full year 1959 of between \$470 and \$475 billion. The annual rate by the end of the year may well reach \$480 billion.

These national projections do not provide an index to the activity in individual sections of the country. Obviously, some sections will do better than others, and the South will contribute far more than its share. Since 1940, total employment has grown twice as fast in the South as in the North; personal income, bank asets, and value added by manufacturing have also increased much more rapidly in the South. The South alone has an abundance of virtually all the raw materials that provide fuel for the Age of Chemistry, which will make the South the progress capital of the country for the next century. Reessions and economic adjustments are likely to be felt less acutely here, just as this last one very nearly missed the South altogether; and growing prosperity is likely to be felt more strongly here than anywhere, except, possibly, in some sections of

Even though the South has a definite edge on the rest of the country, prosperity is not guaranteed here or anywhere else. The very optimism which these projections generate could prove our ndoing, by making it seem that States stated in current dollars success will inevitably be achieved without any conscious effort, that recessions and adjustments are as easy to get out of as they are to get into.

#### Pace of Recovery

Our recovery from the most setback in late recent business 1957 and early 1958 does seem deceptively simple. Even though the business decline was sharp, the recovery was vigorous, and the duration of the recession was less than in either of the two previous postwar setbacks. Con-sumer spending remained high throughout the adjustment, hous-ing came close to setting all-time records, and non-residential construction was also very strong. The economy survived so well, in fact, that total sales in 1958 were actually slightly ahead of 1957.

I recall that last February I expressed the view that the recovery would begin early in the Spring and would be rapid. At the time, my remark attracted widespread attention as something of a curiosity—many people con-sidered that hope of an early revival was wishful and unrealistic. Now that the advance has occurred and we are again anticipating a new round of prosperity, I am afraid thinking is swinging to the opposite extreme — to a belief that prosperity is automatic, so that there is no need to review the mistakes of the past.

#### What Business Should Do

Just as we have a tendency to dismiss too hastily the lessons business recession, so we are also cept inflation as rather a good contest with Russia involves much

tations are well-founded. Their prone to forget the danger of inreport anticipates an increase of flation as soon as a shortlived about \$2 billion in business capperiod of price stability is ital expenditures; a billion dollar achieved. In connection with both these problems, we are too quick to assume that it is the govern-ment's responsibility to work out a solution without asking ourselves what we as businessmen can do about it. Let me suggest some things which businessmen can and should do to help achieve both output stability and price stability.

Our primary responsibility for in purchases, total national output output stability is to improve the process of business planning so that inventory policy and plant and equipment policy can go forward more smoothly and with less emotional boom and cutback than has been true in the past. A review of postwar recessions shows clearly that variations in business expenditures have been a major cause of these periodic adjustments. Businessmen are carried away by a boom. They fail to keep reasonable check on inventories. They overestimate plant requirements. During recessions, they go to the opposite extreme, slashing inventory to unreasonably low levels, and abandoning sound long-range plant and equipment programs. Business profits, as well as overall economic stability, suffer from this emotional approach to business expenditure programs. The coming period of prosperity can be prevented from developing into another such cycle of boom and bust only if businessmen consciously apply the lessons we can learn from our past mistakes.

An even more difficult problem, yet one for which we must find a solution if we are to prevent a serious economic breakdown, is the problem of chronic inflation. Inflation, over the long pull, is the most serious economic threat facing us. It is particularly insidious because its symptoms are often disarming and deceptive. For example, the Gross Narose from \$419 billion in 1956 to \$440 billion in 1957—an increase of \$21 billion, or over 4%.

#### Standard of Living Decline

Yet when this illusion of a prosperous and advancing econ-omy is adjusted for price change, the real increase in our national output turns out to have been \$5 billion, or 1%. Inasmuch as the population of the United States rose by almost 2% during this period, it is clear that the real standard of living of our people was declining despite the external appearance of prosperity.

It is generally realized that inflation produces economic injustice, and that rapid inflation frequently leads to complete economic collapse. It has been argued, however, that a little inflation is not really so bad and may in fact have a tonic effect on the economy. As long as in-flation does not proceed at a galloping pace, so the argument goes, we should accept it because the supposed advantages outweigh the disadvantages. It would be pleasant if we could dismiss all our economic problems in this fashion, simply by pretending that the problems do not exist in the first place. Unfortunately, there are a number of things wrong with this superficially happy analysis.

First, it is certain that inflation will become galloping the moment we stop fighting it. Prices have risen an average of 4% a year from the end of World War II in which could be learned from a to stabilize them. If we now ac-

thing, this 4% rate could quite easily become 5, 6, or 7% a year. Would it still be argued that the advantages outweigh the disad-

Second, it is not this easy to dismiss the serious plight of all those who have weak bargaining positions and are unable to force increases in their own incomes in order to keep pace with inflation. Can we simply explain to the pensioners, widows, insurance beneficiaries, and all others on relatively fixed incomes—and they include a large percentage of all workers—that we are not concerned about inflation because, although they are seriously hurt, there may be others who may gain from inflation?

Nor is it true that injustice is done only to the retired. Inflation is becoming more and more the device through which the most monopolistic labor unions enhance their economic position at the expense of less strongly en-trenched workers. Workers today wring concessions primarily not from capital, but from their fellow workers. The existence of a profit margain has too long been used by labor spokesmen to obscure the fact that wage increases in excess of productivity gains mean that the capacity to buy real goods and services is being taken away from one group of workers and given to another group. With profit margins reduced on the one hand by rising costs and on the other hand by heavy taxes, wage increases in excess of productivity gains can be paid only by consumers through higher prices. Inflation thus becomes the means through which the more powerful labor groups take real purchasing power away from less powerful workers.

Finally, I reject the inflationist argument because it is based at bottom on a philosophy of despair. The underlying assumption in this argument is that it is impossible to achieve a high level of output and employment and at the same time succeed in holding reasonable stability of prices, so that we must choose one or the other. We must surrender to inflation if we wish to keep the economy going. I do not accept this assumption. If we are determined to achieve both high employment and stable prices, and place equal importance on both, we have the brains to figure out how to do it within the framework of the free enterprise system.

What can we as businessmen do to curb inflation?

#### Curbing Inflation

For one thing, we must be willing to accept a restrictive credit policy on the part of the Federal Reserve during periods of boom and rising prices. It is never pleasant to have to put up with credit restraint. Lenders would like to have more money to meet the strong demand which is characteristic of boom times every borrower is sure that his particular need is in the social interest. But it is during these boom times that the seeds of recession are sown. At such times a restrictive credit policy is necessary to prevent inventory and plant excesses as well as to help toward holding the line on prices.

For another thing, we can redouble our efforts to increase efficiency and step up productivity. The success of our economic system over the years has been due importantly to the willingness of American businessmen to accept, and actively to search out, new ideas and new techniques. Research, development, and planning have moved ahead rapidly in the postwar years, but the pressure is relentless for still more productive operations. Industrial development throughout the rest of the world is presenting us with much keener competition in foreign markets, and the production

creases in output per man are needed both to support a rising standard of living at home and to help maintain competitive prices for our products in world markets.

Next, wherever possible, we should seek to secure an adequate return on capital through volume operations at moderate per unit profit margins. I do not believe this is merely a counsel of perfection; I believe much can be done in this area. The steady demand by labor unions for wage increases in excess of productivity gains makes it virtually impossible to pass along to the consumer

more than economics. Rapid in- a share in rising productivity. creases in output per man are Despite the admitted difficulty presented by the upward pressure of costs, we should be on the alert for opportunities where a reduc tion in prices of some lines will result in a greater volume of sale and thus serve consumers withou impairing adequate return on

Finally, a contribution which we as businessmen can make toward stable prices is to work steadily for more effective com-petition both in labor and in business. The exemption of labor unions from much of the scope

Continued on page 122

## REPUBLIC OF CHILE

Service of Bonds of the External Debt

The Caja Autónoma de Amortización de la Deuda Pública, in accordance with the readjustment plan for the service of the external debt approved by Law No. 8962 of July 20, 1948, announces that the fixed annual interest of 3% has been paid for the year 1958 to the holders of bonds of the direct and indirect External Debt of the Republic and the municipalities covered by Law No. 5580 and which assented to the new plan under the aforesaid Law No. 8962.

The Sinking Fund established in accordance with Law No. 8962 has been applied to the redemption of the following bonds, purchased below par: £626,988, US\$3,573,500, Swiss Francs 2,794,400, all of which have been withdrawn from circulation. The average price of these purchases was 40.63%.

After making these amortizations the balance of principal amount of bonds of the External Debt was as follows: £14,831,628, US\$91,586,000, Swiss Francs, 74,280,100.

The Caja Autónoma de Amortización de la Deuda Pública, in accordance with the provisions of Article 3 of Law No. 8962 also announces that holders of bonds of the external debt who assented to the plan of service of old Law No. 5580 and do not accept the new plan under Law No. 8962 will be entitled to receive for the year 1958 interest at the rate of \$3.66 per \$1,000 bond calculated on the basis provided in Law No. 5580 with respect to the following revenues:

Participation in the profits of the Corporación de Ventas de Salitre y Yodo of Chile...... US\$ 773,852. Share in the taxes on income of the 4th category of copper companies ..... Share in tax on importation of petroleum for the nitrate and copper industries (Article 7th of Law No. 6155 of January 6, 1938) ......

680,696.

538,593.

US\$1,993,141.

Up to the close of the year corresponding to this declaration 97.39% of the dollar bonds, 99.54% sterling bonds and 96.88% of the Swiss franc bonds had been assented to Law No. 8962.

Pursuant to the extension granted by the Supreme Government under the terms of Finance Degree No. 9,566 of October 31, 1957, the period for acceptance of the exchange authorized by law No. 8962 will remain open until December 31, 1960.

Holders of bonds assented to Law No. 5580 will be entitled to receive the aforesaid payment of \$3.66 per \$1,000 bond on and after February 1, 1959, against presentation and surrender for cancellation of the two coupons corresponding to said payment, (in the case of the City of Santiago, Chile Twenty-One Year 7% Ext. S.F. Bonds dated January 2, 1928, the said payment will be made by presentation of the bond for endorsement of the interest payment) together with an appropriate letter of transmittal, at the office of the correspondent of the undersigned in New York City, Schroder Trust Company, Trust Department, 61 Broadway, New York 15, N. Y. Letters of transmittal may be obtained at the office of said correspondent.

CAJA AUTONOMA DE AMORTIZACIÓN DE LA DEUDA PÚBLICA EDUARDO SOLMINIHAC K. SANTIAGO WILSON H.

General Manager

December 31, 1958.

Santiago

## What Business Should Do to Curb Inflation, Instability

signed initially to enable them to more conducive to stable operaimplement their essentially tions. weaker position when bargaining to the opposite extreme. The lem of chronic inflation. The govvesting of monopoly power in any ernment has demonstrated its in-private group, whether business ability thus far to come up with or labor, invariably carries with an effective solution, perhaps the it a potential threat to the public from its very nature in a republic. interest. When government has There appears to be no other Hydro-Electric Power Commisseen fit to assign exclusive rights large group which is sufficiently sion of Ontario pursuant to a reto business, as for example in concerned with the social interest some types of utilities, it has and the success of our economic hedged these rights with extreme system to be willing to devote its for the purposes of the Commiscare to ensure that they are used for the public good. The protection of union members themselves, as well as the social interest, requires some application efforts to pass along some of the of the anti-trust laws or other restraints to labor monopolies.

Competition needs to be reproduct and obsolescence of management are not rare in American industry. In my industry -Take as an example the Family Policy, which was an invention in the insurance field — one that was created to meet a great and growing need, one that is now marketed by all major companies, and accounts for a very large share of the total insurance sold. Some of the oldest and largest insurance organizations fought the policy fiercely until they insisted upon buying it.

opposition from a few oldline economic system which so far has companies on Variable Annuities, proved the most rewarding in the a type of retirement plan which provides at least the chance of some protection against possible future inflation. Detailed research has shown that at no time in the past-even in the depressionwould a variable annuity policy such as we envisage have proved an unwise retirement plan; but it is different, it is not traditional. and it represents a new approach. Unfortunately, this not something we can move ahead on, as we did on the Family Policy. We need approval by the New Jersey Legislature, and the pressure of the opposition so far has kept the issue from going to the floor for a

But our industry is not alone in bucking new trends. If we are to keep the consumer's interest, all of us are going to have to oiescence management. And there is reason to believe that, with consumer discrimination growing, 1959 may have some surprises in store for managements that take consumers for granted.

#### Summary

To summarize, let me say once again that we have a chance in 1959 to move forward — a better chance than we have had in several years. We have recovered rapidly from the business setback of early 1958, and the outlook for the coming year is excellent. But we have also had demonstrated once again that there are major economic problems for which we still have not found a solution.

One of these is the problem of strong boom followed by sober reswings in output, and businessmen have a responsibility to reexamine their inventory policies and their plant and equipment policies in Reid is with Mutual Funds of S. Jones, President; William W. National in 1942 following 10 order to develop programs which America. order to develop programs which America.

of the anti-trust laws was de- are less emotionally based and

An even more important probefforts to a solution. It is there- sion. These funds will be added take direct action to meet this problem. We must redouble our other things, for capital expendiconsumer in the form of lower and to repay temporary loans of prices. We must renew our belief the Commission outstanding at vitalized in business as well as in the basic necessity of free comin labor. Apart from its basic petition even when it makes our function as a regulator in the immediate business problems economy, competition is necessary more difficult. I think we will be in our type of economic system surprised how frequently the because it prevents hardening of strengthening of competition turns business arteries. Obsolescence of out to be a blessing rather than the difficulty we imagine it to be. And we may also be surprised at the proceeds of the debentures are some of the difficulties which we insurance — we run into it more invite when we seek government sion.
often that I wish were the case. as a regulator in the place of comdevelopment, greater willingness sified effort to step up productiv-

Our economic problems - particularly the problem of inflation -are not simple. Their solution will require the best brains and the most thoughtful study we can learned, the hard way, that the bring to bear. In the years ahead, people wanted it, liked it, and I am confident that the business community will take the lead in We are still encountering active the further improvement of an

### Kaiser Industries Common Stock Sold

The First Boston Corp., Dean Witter & Co. and Carl M. Loeb, Rhoades & Co., headed a nationwide group of underwriters that offered publicly on Jan. 13 an issue of 500,000 shares of Kaiser Industries Corp. common stock (par \$4) at \$13.12½ per share. This offering was oversubscribed and the books closed.

The stock is presently outstand-ing and was sold on behalf of certain selling stockholders; no proceeds accrue to the company. After the sale of these shares, the rect public debt of the province Kaiser interests will continue to a g g r e g a t e d \$1,653,356,892, of subject of the province and the sale of these shares or 78.8% of subject of the province and the sale of the province will be sale of the province and the the pro the company's common stock.

Kaiser Industries has direct and indirect controlling interests in a number of affiliated companies, the more important of which are: Kaiser Steel Corp. (80%-owned); Kaiser Aluminum & Chemical Corp. (45%-owned); and Permanente Cement Company (39%owned). Those investments had an aggregate market value on Jan. 9, 1959, of \$471,319,000. Henry J. and Willys Motors, Inc., a manufacturer of Jeep vehicles, are both wholly-owned.

#### Forms Amer. Investments

CLINTON, Md. - William E. adjustment. Business policies have Reid is conducting a securities Investors Company has been had previous banking experience contributed to these undesirable business from offices at 4 San formed with offices at 52 East at the First Wisconsin National Juan Drive under the firm name Gay Street to engage in a secu-

### \$75 Million Issue of **Ontario Debentures** Offered to Investors

Public offering of \$75,000,000 Province of Ontario (Canada), 25-year 43/4% debentures, dated Feb. 1, 1959 and due Feb. 1, 1984, at a price of 98.50% and accrued interest, was made on Jan. 14 by with large business corporations. lem which needs the study of an underwriting syndicate jointly Today the pendulum has swung every businessman is the prob- managed by Harriman Ripley & to the opposite extreme. The lem of chronic inflation. The gov- Co., Inc., and Wood, Gundy & Co.,

> Net proceeds from the sale of the debentures are to be advanced by the Province of Ontario to The quest from the Commission to the Province for an advance of funds fore up to us as businessmen to to the Commission's cash resources which will be utilized among tures in connection with its presfruits of rising productivity to the ent capital construction program the time of the advance. The Commission estimates the cost for the year 1959 of the present capital construction program at about \$196,000,000. It is contemplated that temporary loans will be outstanding in an amount of between \$12,000,000 and \$18,000,000 before to be advanced to the Commis-

> The debentures are direct oblipetition. Finally, we must work gations of the Province of Ontario toward more imaginative product and principal of and interest on the debentures will be payable in to accept new ideas, and an inten- currency of the United States. Income tax presently imposed by the Canadian Government will not be payable in respect of these debentures or the interest thereon by owners who are non-residents Canada.

The \$75,000,000 of debentures are to be redeemable on and after Feb. 1, 1969, in whole or in part by lot, at the option of the Province of Ontario, at redemption prices ranging from 1031/2% to par, plus accrued interest.

The Province of Ontario is the second largest in area of the Canadian provinces, covering about 413,000 square miles. Its estimated population at June 1, 1958 was 5,803,000 and represented about 34% of Canada's total population. The wealth of Ontario is derived mainly from manu-facturing, mining, hydro-electric power generating, agriculture and forestry, construction and fishing and trapping. The gross value of manufactured products within the province aggregated about \$10.8 billion in 1957, almost half the total for all of Canada in that year. For over 40 years Ontario has been the leading province in the output of minerals.

As of Oct. 31, 1958, the total di-.oud was funded debt, \$265,673,392 unfunded debt.

#### Form Getz Mutual Funds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Getz Mutual Funds Sales, Inc. has been formed with offices at 640 Sacramento Street to conduct a securities business. Officers are Nathan Kaiser Co., which conducts an Most, President; James H. Whitengineering and construction busi- man, Vice-President; Trevor R. ness in this country and abroad, Geddes, Treasurer; and John E. Troxel, Secretary.

#### Midland Investors Open

(Special to THE FINANCIAL CHRONICLE) COLUMBUS, Ohio - Midland

Ellis, Jr., Secretary & Treasurer. Reserve Bank of Cleveland.

Continued from page 13

## News About Banks and Bankers

charter and title of The Union National Bank of Pittsburgh.

THE CONNECTICUT BANK AND TRUST COMPANY, HARTFOROD, CONN.

Dec. 31,'58 Sept. 24,'58 \$ 416,378,159 363,342,555 375,524,646 314,923,744 Total resources\_\_\_\_ Deposits \_\_\_\_\_Cash and due from banks
U. S. Govt. secu-97,764,195 76,897,329 

The election of Earl N. Felio to the board of directors of The First National Bank of Jersey City, N. J. was announced by Kingsbury S. Nickerson, President.

### NEW JERSEY BANK AND TRUST CO. PATERSON, N. J.

Value of the second	Dec. 31, 58 °	Dec. 31, 57
Total resources	286,874,791	287,154,842
Deposits	262,268,974	260.927,393
Cash and due from banks	46,251,729	55,268,907
U. S. Govt. secu- rity holdings	63,162,664	65.279,577
Loans & discounts Undivided profits		57,490,503 4,629,797
*Combined figure Trust Co. and Pa Bank and Trust Co	assaic-Clifton	

#### THE PHILADELPHIA NATIONAL BANK PHILADELHPIA, PA.

	Dec. 31,'58 Sept. 30, '58
Total resources	1,105,478,208 4,052,381,261
Deposits	994,955,654 942,756,148
from banks	331,981,375 269,406,634
curity holdgs.	203.916.085 226.073.545
Loans & discts.	439,556,456 431,064,521
Undiv. profits	13,846,253 113,357,039
	a area in

The Munsey Trust Company, Washington, D. C., with common capital stock of \$1,250,000, has gone into voluntary liquidation by a resolution of its shareholders dated Nov. 24, 1958, effective Dec. 26, 1958.

Liquidating Committee: Warren R. Forster, Anthony J. Byrne and Frank J. Luchs, care of the liquidating bank.

Absorbed by: Union Trust Company of the District of Columbia. Washington, D. C.

Major executive officer changes at The Bank of Virginia, Richmond, Va., will be made on April , according to an announcement Jan. 10.

Thomas C. Boushall, bank founder and President since its organization in 1922, will become active Chairman of the Board of Directors and Chairman of the Executive Committee on that date.

Herbert C. Moseley will be advanced from Executive Vice-President to President and assume the duties of Chief Executive Officer at the same time.

The election of three Vice-Presidents and an increase in Les responsibilities for another Viceresident were announced by Loring L. Gelbach, Chairman and President, Central National Bank of Cleveland, Ohio, following a Demand deposits of indimeeting of the bank's Board of Directors on Jan. 8.

J. A. Gelbach and E. E. Steehler were elected Vice-Presidents and Walter F. Lineberger, Jr., was named a Vice-President and will join the bank on Feb. 1. In addition, J. R. Wilson, a Vice-President, was appointed to direct the correspondent relationships with banks in Ohio and Western Penn-

J. A. Gelbach, who has been a member of the Central National staff since August, 1956, will serve as the head of the Ohio Division of the Commercial Banking Department. Prior to joining Central National, Mr. Gelbach Bank of Milwaukee.

J. R. Wilson had extensive banking and financial experience before joining the bank in 1943. He has been an officer in the Ohio Division since 1949 and is widely acquainted in banking circles throughout the state and in Western Pennsylvania.

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Merger certificate was issued approving and making effective. as of the opening of business Jan. 2, the merger of First National Bank of St. Clairsville, St. Clairs2 ville, Ohio, with common stock of \$100,000, into The Bridgeport National Bank, Bridgeport, Ohio, with common stock of \$200,000. The merger was effected under the charter of The Bridgeport National Bank and under the title Belmont County National Bank, St. Clairsville.

The Directors of Society National Bank, Cleveland, Ohio, and the Trustees of Society for Sav-ings, Cleveland, Ohio, have approved the unification of these two banks into one large bank with total resource of over \$390,-000,000, Mervin B. France. Society President, announced.

4. 6

Effective at the close of business Dec. 31, 1958, one bank, Society National Bank of Cleveland, will serve the hundreds of thousands of Society customers. The same directors, officers, and staff will continue to serve customers.

#### SOCIETY NATIONAL BANK OF

	AND, OHIO	
	Dac. 31, 58	*Dec. 31, 57
Total resources	391,911,461	382,734,350
Deposits	352,917,001	345.076.373
Cash and due from		
banks		35.064.910
U. S. Govt. secu-		7
rity holdings		93.498.670
Loans & discounts		
Undivided profits		
. *Figures include		
in the City of Cleve		
with the Society ?	Vational Bar	k effective
Dec. 31, 1958.		
	0 -6-	(8/7H2- 3
At the second second second		T. Hillery To

Burton A. Miller has been ap-

REPORT OF CONDITION OF

#### THE CORPORATION TRUST COMPANY

of 120 Broadway, New York, New York, at the close of business on December 31, 1958, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

#### ASSETS Cash, balances with other

banks and trust compa- nies, including reserve bal- ances, and cash items in	
process of collectionited States Government obligations, direct and	\$1,672.570
guaranteed rporate stocks asehold improvements irniture and fixtures her assets	380,650 60,000 264,394 414,840 1,095,676
TOTAL ASSETSLIABILITIES	\$4,088,133

	us, partnersnips,	BILL
	orations	
Other	liabilities	
Marine .		
TOT	AL LIABILITIES	

\$2,813,018.46 CAPITAL ACCOUNTS Capital † \$500,000.00 Surplus fund Undivided profits\_\_\_\_\_ 450,114.60

608,353.08 2,204,665.38

TOTAL CAPITAL AC-31.275.114.60

TOTAL LIABILITIES AND CAPITAL ACCOUNTS\_\_ \$4,088,133.06 †This bank's capital consists of common stock with total par value of \$500,000.00. MEMORANDA

Assets pledged or assigned to secure liabilities and for other purposes Securities as shown above are after deduction of re-\$109,650.10 serves of \_

I, CHARLES J. SKINNER, Treasurer of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief. Correct-Attest:

O. L. THORNE RALPH CREWS G. P. LE PAGE

pointed Vice-President in Charge of the Trust Department of The National City Bank of Cleveland, par value \$25). Ohio, Sidney B. Congdon, Chairman, and Francis H. Beam, President, announced. He succeeds Bank of Neenah, Wis., increased its William L. West, who has resigned.

Mr. Miller has had extensive experience in banking and investments. He joined National effective Dec. 23. (Number of City early in 1952 as Vice-President in Charge of the Investment par value \$10.) Division of the Trust Department.

West Baden Springs, Ind., with common stock of \$50,000; and French Lick State Bank, French Lick, Ind., with common stock of \$50,000 have consolidated. The consolidation was effected under First National Bank of Omaha, the charter of The West Baden National Bank and under the title The Springs Valley National Bank, French Lick, Ind. Effective

#### AMERICAN TRUST COMPANY SOUTH BEND, IND.

Total resources	Dec. 31, 58 June 30, \$27,199,110 \$25,508.	
Deposits	24,915,929 23,258,	
Cash and due from	7,200,429 : 7,139	700
U. S. Govt, security,	10,096.812 8.850.	220
Loans & discounts Undivided profits	9,134,456 8,662, 493,799 448,	
intellered - minutes la	0 00	

Following the annual meeting of the Board of Directors of The First National Bank of Chicago, III. Homer J. Livingston, President, announced the promotions 4 in the Bank's official staff and the election of new officers.

J. Russell Hanson, in Division D in the Commercial Department, and Lucian B. Wilkinson, of the Trust Department, Assistant Vice-Presidents, were elected Vice-Presidents.

#### the protections CONTINENTAL ILLINOIS NATIONAL was elected Vice-President.

BANK & TRU	ST CO., CHIC	CAGO, ILL.
worden and the	Dec. 31, '58	June 30, '58
deuta a la contraction	8	\$
Total resources_		2,795,753,374
Deposits	2,555,170,750	2,502,144,954
.Cash and due		
from banks	- 795.138.882	642,873,800
U. S. Govt. se-	THE PARTY	
curity holdgs.	816,618,524	-945,291,975
Loans & discts.	1.066.113,632	1.006,654,184
Undiv. profits	36,277,613	27.995.104
		and the second

Farmers National Bank of Fairbury, Ill., changed its title to National Bank of Fairbury, effective Jan. 2.

Guy E. Reed, retired Executive Vice-President and Director of Harris Trust and Savings Bank, Chicago, Ill. died Jan. 2 in Northbrook, Ill. as a result of a heart attack. He was 68 years old.

Mr. Reed retired at the end of 1955 as Executive Vice-President of Harris Bank, and left the Bank's Board in 1957. After six years with the First National C Bank of Lincoln, Neb., he joined Harris Bank in 1923. He was U. elected a Vice-President of the Bank in 1928, Director in 1946, U and Executive Vice-President in

#### THE DETROIT BANK & TRUST

COMPANY, I	DETROIT, MICH.	
100 POSE	Dec. 31,'58' June 30,'5	8
Total resources		
Cash and due from		1
banks U. S. Govt. secu-	156,777,023 167,360,79	2
rity holdings	346,225,378 367,562,95	
	195,799,885 328,065,94	
Undivided profits	10,096,214 12,516,18	×
	0 0	

THE NATION	MICHIGAN	DETROIT,
THE SECTION AND ADDRESS OF THE SECTION ADDRESS OF THE S	Dec. 31, '58	Sept. 30, '58
Total resources_	1,946,927,305	1.910,380,284
Deposits		1,688,631,089
U. S. Govt. se-	392,538,461	387,098,594
curity holdgs.		652,676,680
Loans & discts Undiv. profits	673,127,960	
1. 1. 1.	8 8 8	

The common capital stock of the First National Bank in Mount Clemens, Mich., was increased from \$500,000 to \$625,000 by a who died recently. stock dividend, and from \$625,000 to \$750,000 by the sale of new man was announced by Wallace Cunningham.

The National Manufacturers common capital stock from \$300,-000 to \$375,000 by a stock dividend and from \$375,000 to \$450,-000 by the sale of new stock,

Ted J. Welch was elected Presi-The West Baden National Bank, dent to succeed Frank C. Welch, 31 (number of shares outstanding who continues as Chairman of Peoples Bank & Trust Company, Cedar Rapids, Iowa. 11 a - a

The Board of directors of the Neb., announces the election of John M. Harding as Trust Officer. . .

The common capital stock of as of the close of business Dec. 31. The First National Bank of Lincoln, Neb., was increased from \$2,000,000 to \$2,100,000 by a stock dividend, and from \$2,100,000 to \$2,300,000 by the sale of new stock, effective Dec. 24 (number of shares outstanding — 115,000 shares, par value \$20).

> The common capital stock of Utica Square National Bank of Tulsa. Okla., was increased from \$480,000 to \$600,000 by the sale of new stock, effective Dec. 24. 40,000 shares, par value \$15.)

> Four officers of First National Bank in St. Louis, Mo., were advanced to higher positions by the Board of Directors on Jan. 6 according to William A. McDonnell, Chairman of the Board.

> Lester A. Craig, Assistant Vice-President, real estate department,

> Mr.: Craig joined First National's staff in 1922. He was promoted to Assistant Cashier in 1950 and to Assistant Vice-President in 1952.

> seed, that their s Elected to the Board of Directors of Bank of St. Louis, St. Louis, Mo., were James Meredith and Jack Minton, Vice-President of Bank of St. Louis.

> The First National Bank of Kansas City, Mo., increased its common capital stock from \$5,-000,000 to \$7,500,000 by a stock dividend, effective Dec. 30 (number of shares outstanding-300,000 shares, par value \$25).

#### 150 ... ... CITIZENS FIDELITY BANK AND TRUST COMPANY, LOUISVILLE, KY.

Total resources \_\_\_\_ 285,160,587 247,420,883

Dec. 31,'58 June 30,'58

Deposits	261,944,530	225,716,475	
Cash and due from		Part of the second	t
banks	92,912,460	82,077,209	4
U. S. Govt. security			ð
holdings.	74,128,953	50,875,959	
Loans & discounts	105,639,609	105,228,310	1
Undivided profits	2,620,470	2,567,933	
Halle Coll.			1
	********	TO A STEE	*
	NATIONAL AND, KY.	BANK	1
The	Dec. 31, '58	Dec. 31,'57	
Total resources	\$32,150,919	\$32,115,873	
Deposits	29,148,477	29,397,811	1
Cash and due from			4
banks	7,747,189	7,708,090	-
U. S. Govt. security			1
holdings	9,225,966	7,991,081	-
Loans & discounts	12,047,593	11,514,306	1
Undivided - profits	486,045	307,895	1
A. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.			

The board of directors of The Fulton National Bank of Atlanta, Atlanta, Ga., announces the elec-Honorary Chairman of the Board, building adjacent to the present NATIONAL AND GRINDLAYS tion of Clarence Haverty as Crowley as Vice-Chairman of the Board, and Gordon Jones, President and Chief Executive Officer. completed in late 1959.

Solon B. Turman was elected to the board of directors of the Hibernia National Bank in New Orleans, La.

stock, effective Jan. 2 (number of M. Davis, President of the Hishares outstanding—30,000 shares, bernia National Bank, after a par value \$25). directors.

> Oscar C. Lindemann has been elected a Vice-President of National Bank of Commerce, Dallas,

By a stock dividend, the Citishares outstanding-45,000 shares, zens National Bank & Trust Company of Baytown, Tex., increased its common capital stock from \$300,000 to \$500,000, effective Dec. -5,000 shares, par value \$100).

The Denver National Bank, Denver, Colo., with common stock of \$3,500,000 and the United States National Bank of Denver, Denver, Colo., with common stock of \$3,-300,000 have merged, effective as of the close of business Dec. 31. The consolidation was effected under the charter of the Denver National Bank and under the title Denver United States National

O. S. Aultman, 53, Vice-President of California Bank, Los Angeles, Calif. and one of the nation's outstanding authorities on bank operations, died on Dec. 30 following a lengthy illness.

The Bank of Montreal. Montreal, Canada announced on Jan. 6 that Harold C. F. Mockridge, C., has been elected a Director of the Bank. Mr. Mockridge is a Director of the Royal Trust Company.

H. D. Thompson of Mandeville, Jamaica, and Henry Tiarks, London, England, have been elected directors of the newly-formed Bank of London and Montreal Ltd., it was announced by Gordon R. Ball, who is Chairman of BOLAM and also President of the Bank of Montreal.

BOLAM is owned jointly by the Bank of Montreal and the Bank tions in the industry. This failure of London and South America of state departments to make Ltd. Its head office was opened here last October and the new bank controls a network of in the companies appealing to the branches in Central America, courts for relief recently. Colombia, Ecuador and Venczuela. BOLAM plans to establish branches in Jamaica and Trinidad this year.

National Overseas and Grindname to National and Grindlays only about 1.7% above the like Bank Limited, London, England.

The Directors of Midland Bank Limited, London, England, announce that they propose to recommend to the shareholders at the Annual General Meeting in February next the capitalization of £5,385,237, at present part of the Reserve Fund, by paying up free to shareholders in the ratio of one additional £1 share for every three held. They would be to share talization is approved the Direc-385,237, the amount to be capitalized.

The Board of Directors of Bank of Hawaii announced plans for the construction of an eight story Pope F. Brock as Chairman, Head Office building at King and Board of Directors, William V. Bishop Streets. Work is expected to begin in early March, and be

#### Paine, Webber Branch

SAN DIEGO, Calif. - Paine, Webber, Jackson & Curtis has He succeeds R. G. Robinson, opened a branch office in the Orpheum Theater Building under The appointment of Mr. Tur- the management of Thomas M.

## Bank and Insurance Stocks

By ARTHUR B. WALLACE

#### This Week — Insurance Stocks

The year 1958, while not the nado and allied lines, worst in recent history in the firecasualty insurance industry, will, nevertheless, go into the annals as an extremely bad underwriting year, with 1957 and 1956 only as worse periods. The insurance industry, as is so with all others, of course has its ups and downs; but the recurrent poor periods usually have some off-sets such as a few of the bigger lines turning in good results. In this recent downtrend in underwriting, the losses seemed to crowd in on the carriers from all directions. There were only a handful of lines that performed relatively satisfactorily; most of them were just plain bad. Many of the customarily profitable companies showed red ink.

But 1958, while, as indicated, will go down as a poor under-writing year, it will probably have been the year of a decided turn for the better. Insurance companies fairly regularly have several years of good underwriting, which lead to downward rate adjustments by the state supervisory services. Then the lower rates (often coupled with other factors such as high fire losses, or a hurricane) bring about sufficiently bad underwriting results to justify the companies going to the commissioners for an upward adjustment of rates.

Insurance companies, being corporations, have no votes. Hence, if they petition a politicallyminded state insurance commissioner they do not fare so well in their bids for more realistic rates, rates that will be somewhat in consonance with changing condiallowance for strongly adverse industry conditions even resulted

But happily the underwriting tide has been turning. For example, fire losses which in 1957 had crossed \$1 billion, an all-time high, appear now to be flattening out. In the 12 months lays Bank Limited has changed its through October, 1958, they were preceding 12 months. In the calendar year 1957 they were 3.7% above 1956. After having experienced several quite unprofitable years the fire line is doing better. Rate increases have helped. This is a line in which many policyholders are remiss so far as adequate coverage is concerned. Residence values continue to inin full 5,385,237 of the unissued crease, but most property owners £1 shares and distributing them are slow to increase the amount of are slow to increase the amount of coverage more-or-less to conform with the increased values.

Package policies are another Register on Jan. 5. If the capi- to the companies, as they contain additions that, in some cases, are tors intend to make transfers thrown in gratis, but which, in from Contingency Reserves to the cases of loss, can plague the car- Pace is engaging in a securities Published Reserve Fund of £5,- riers. It can be a moot question 385,237, the amount to be capi- whether the benefits (to the carrier) of package policies outweigh the drawbacks.

not too much incidence of tor- E. Bark & Co.

average, extended cover turned in a good showing is the line, it will be rememb that cut so deeply into prospe underwriting profits from 1961 on (excepting only one year). It is a potential troublemaker, as windstorms, such as the un ally severe one around the first of this year are always a threat and extended coverage covers a multitude of potential losses.

For example, in the recent windstorm in the Northeast many buildings had sizable losses of roofing. It is true that the deductible clauses which put the initial cost of a loss on property owner protect the insurance companies from small claims; but costs of building repairs are such today that it does not take much of a loss for the writer of the policy to be counted in on the loss. But it is excellent news that the line did so well relatively in 1958.

Several of the larger volume automobile lines will wind up in the red again, but not with the serious losses that were incurred in the preceding years of this in these lines. Auto bodily injury is the present bad spot. Alfred M Best Co. point out that in the past 10 years "inflation has in-creased the average claim cost by and they might also have noted the scandalous increase in jury awards, not alone for claims on this line, but elsewhere among the multiple-line list.

We are therefore, disposed to feel that with more rate increases and older ones being more productive as time passes, the last three calendar years will have been found to be the worst in upward of two decades; but that a definite turn for improved underwriting results now appears to be in order.

#### Now With Bear, Stearns

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, III. - Paul M. Schoessling has become associated with Bear, Stearns & Co., 135 South La Salle Street. Mr. Schoessling, who has been in the investment business for many years, was formerly with Reynolds & Co. and the Municipal Bond Corporation.

#### Sterling, Grace Admits

Sterling, Grace & Co., 50 Broad Street, New York City, members of the New York Stock Exchange, announced that Gaines Gwathmey Jr. has been admitted to general partnership in the firm.

#### Forms Polk Inv. Co.

LAKELAND, Fla. - Samuel P. business from offices at 52 Lake Hunter Drive under the firm name of Polk Investment Co. Mr. With no hurricanes, and with Pace was formerly with Douglas

## BANK LIMITED

algamating National Bank of India Ltd. and Grindlays Bank Ltd. Head Office:

26 BISHOPSGATE, LONDON, E.C.2 London Branches: 13 ST. JAMES'S SQUARE, S.W.

54 PARLIAMENT STREET, S.W.1 Bankers to the Government in : ADEN, KENYA UGANDA, ZANZIBAR & SOMALILAND PROTECTORATE Branches in:

India, Pakistan, Ceylon, Burma, Kenya, Tanganyika, Zanzibar, Uganda, Aden, Somaliland Protectorate, Northern and Southern Recometa.

## BANK INSURANCE STOCKS

#### Laird, Bissell & Meeds

Members New York Stock Exchange Members American Stock Exchange 120 BROADWAY, NEW YORK 5, N. Y. Telephone: BArclay 7-3500 Bell Teletype—NY 1-1248-49 Specialists in Bank Stocks

## The Outlook for Business

will be a bargain, relative to the outlook for consumer expendi-cost of such facilities at a later ture for goods other than autodate, and that it is better to an- mobiles. ticipate capacity requirements than to be caught short of capacity in the major categories of variable if the demand for the products produced is increased more than is expected. Other capital investment sometimes is made by enthusiastic businessmen who possess funds and miscalculate in a larger volume of retail trade consequences of investing these. that investment in facilities actually will be increased in 1959. In the present, however, I prefer to defer raising my estimates of such expenditure until more definite evidence is available which would support such an expecta-

The outlay for residential construction is a fourth major cate- purposes. An estimate that the gory of variable expenditure. For a number of years variation in the volume of expenditure for stances defined, may be used as residential construction has been determined largely by change in practical affairs. the funds made available for this purpose by the political authori-I see no reason to assume that this practice will not be continued. I presume the Federal funds again will be made available in 1959, and that some additional expenditures for residential construction will be made. Possibly an increase of a nominal billion dollars should be allowed for the change in this item.

#### Cloudy Auto Picture

My fifth category consists of expenditure for automobiles. I am assured by my better-informed friends in the automobile industry that the number of passenger cars to be produced and sold in the current model year cannot be appraised with much precision until the latter part of February or March. It seems obvious, however, that the sales of passenger cars produced in this country probably will be larger in 1959. At this time we may assume that more than five and possibly close to six million passenger cars of domestic and foreign origin will be purchased by American buyers

This completes my review of

surprising to see business invest- ture of action which is undertaken ment in plant and equipment in-creased during 1959. In the first Assuming, however, that this is place the managers of some busi- an acceptable allowance for annesses may conclude that plant ticipated change in these cateand equipment purchased in 1959 gories we may examine the

expenditure will increase gross income by an equal amount. The combination of increased income and optimistic expectations, previously described, should result particularly, because it is ap-For these reasons we may find parent that credit will be available to consumers who wish to borrow. Again I do not think there is adequate evidence available to support an accurate estimate of the magnitude by which retail trade or consumer expenditure will be increased. Nor do I think it is necessary to develop such an estimate for practical volume of retail trade probably will be increased, in the circumthe basis for the management of

#### **Estimates Corporate Profits**

My next subject is corporate profits. I refer to net income after all tax liability has been deducted, because I never have been able to understand why a tax should be labeled a profit. The series provided by the Department of Commerce indicates that corporate profits in 1957 approximated \$21.8 billion. In 1958 the comparable profits may approximate \$17 to \$18 billion. I am assuming that in 1959 corporate profits may be increased to a total of about \$22 to \$23 billion which were the magnitudes obtained in 1957 and 1955.

the extent to which the management of manufacturing enterprise has been able to reduce costs in 1958. The reduction in the cost per unit of manufacturing output, however, has not been much different from that which was obtained in the recession of 1953-54. Furthermore, in using the concept of unit costs it should be recognized that, as production is reduced, a larger proportion of the labor force of a firm is engaged in the production of finthe prospects for change in those ished goods. In this way the volmajor categories of expenditure ume of finished goods production which are varied over the course is increased relative to the total of the business cycle. The aggre- outlay for employees. This pecugate net increase in the estimates liarity of costs during the recestotals \$17.2 billion and may be sion produces the appearance of a larger in practice. This compares much larger increase in output, proaching a time in which the tion which usually has been exwith a change in these categories with a given labor force than prices obtained for services will perienced during the rof \$18.7 billion in 1955. The change actually is the case. For a time be stabilized. This probably is phase of a business cycle.

creased. This satisfaction can be forgotten when production again is increased and it is necessary to increase the inventory of semifinished products.

A second consideration is the evidence that the average hourly earnings in manufacturing have been increased during 1958. This contrasts with the relative stability which obtained in the first nine months of 1954. I assume that the prospect of rising production and trade will encourage An increase of \$17 to \$18 billion the development of increased wage demands and reduce the deterrents to their acceptance.

In the previous recovery of 1954-55 the rapid increase in wage rates seems to have been one of the important reasons why corporate profits were brought to approximately the high level of the entire recovery period before the end of 1955. If this previous experience is reproduced we may expect corporate profits to be brought to an approximate maximum in 1959.

These estimates of corporate profits are merely first approximations subject to readjustment. The estimates may be low. If this is the case I presume there will be time to raise them.

From the viewpoint of the investor the aggregate volume of profits of an industry or firm. I will leave the subject of the distribution of profits by industry to someone else, but intend to use the subject of aggregate corporate ever, leaves a great deal to be profits in my comment later on.

#### Outlook for Prices

So far in my discussion I have made no reference to the outlook for prices. In the present satisfaction is being derived from the idea that the Index of Consumers' Prices probably will be stabilized during at least the first part of 1959. This idea is developed from the estimate that food prices will be reduced with the consequence that a moderate increase in other components may be off-We have been impressed with set. This prospect seems reasonable and acceptable so far as

it goes. A second aspect of the price situation is that, during recent years the prices of the services, incorporated in the price indexes, have been increased more rapidly than have the prices for tangible goods. Recognizing this experience, a plausible explanation may be developed to the effect that the increase in consumers' prices during recent years has, in a large part, represented a phase during which the prices obtained for services have been increased to catch up with, or be readjusted in expenditure will be larger or considerable satisfaction may be an idea which is worth consider-smaller—depending upon the na- expressed with the way in which ing but does not seem to be correlated with some of the important factors which are involved in the determination of prices.

A third aspect of the price situation may be outlined in the following terms. In 1946 a worldsubsequent years the production of raw materials, as a general category of product, was increased more rapidly than demand. For more than a year the supply of raw materials has been redundant and prices have been reduced. One consequence has been the development of the extremely favorable terms of trade enjoyed by industrialized countries. Another consequence has been the annual multi-billion dollar total of sub-

terial prices which appears to be usual cyclical experience. of more than cyclical importance. For these reasons, to the extent that raw material prices are of importance as a component of the in the raw material category may be quite different from that which

I have described. terms of the quantity of monetary which they must operate, how- yourselves. desired. This fact has large imfor prices.

I have stressed the fact that the estimates which have been presented are subject to adjustment as a consequence of events and actions which are yet to be determined. This statement should be amplified to include events and actions undertaken abroad. The American economy is neither selfcontained nor unaffected by political and economic development abroad. I will not expand this statement but bring it to your attention as an important limitation to the degree of confidence which should be placed in current estimates of economic development in the United States during the next year. Furthermore, there are important aspects of the current recovery which should be recognized in appraising the outlook. These aspects are derived from the unusual manner in which recovery has been brought about.

#### Recovery Forces

In the first place the prompt and appropriate action undertaken by the Federal Reserve Board, to, the prices obtained for goods. during the early phases of the re-By projecting this concept it may cession, prevented the developbe assumed that we may be ap- mnt of the pressure for liquidaprices obtained for services will perienced during the recession

A second development was the large increase in government expenditure during a period when private expenditure was reduced. In the third quarter of 1958 government expenditure, including G. Hoffman, Treasurer. transfers, interest and subsidies, was increased to an annual rate wide expansion of raw material \$11.7 billion larger than the magproduction was begun. During nitude obtained in the third quarter of 1957. Incidentally, Federal expenditure for national security actually was reduced to an annual rate \$300 million less than that obtained in the same quarter of the previous year. In the same period private expenditure, in-cluding net foreign investment, was reduced by \$12.9 billion. The increase in political expenditure, approximately offsetting the reduction in private outlays, and the anticipation of this, must be sidies, grants and credits more considered the primary reason available by the United States why income receipts were so well to assist in balancing the interna- maintained which, in turn, was tional accounts of other countries the reason why retail trade was nard L. Lefcourt is conducting a and to move American surpluses subject to only a relatively small

productivity seems to be in- bringing to your attention is the increased by more than seasonal creased. This satisfaction can be world-wide decline in raw ma- amounts since March. This is un-

#### No Longer Have a Market Economy

Viewing these developments general trend of prices, no sub-broadly we seem warranted in stantial increase in the price level assuming that the organization of is to be expected. Please note the our economy is being changed. We fact that I am talking in general no longer are a market economy. terms and that experience with We now possess some different any particular commodity price form of economic organization which has no name, or descrip-tion, or for which there is no genhave described. erally accepted theory or under-A fourth aspect of the price standing. For this reason, and outlook is that is should be recog- because of the way in which the nized that prices are monetary recession was aborted by political phenomena. The price of anything action, I do not think we can asis expressed as a sum of money, sume that cyclical development The trend of prices can be deter- in the future wil be like that mined by changes in spply-de- wihch may be expected to obtain mand relationships, the use of in a market economy. In this conmonetary balances, the use of nection I refer you to a talk given credit, changes in the monetary by Dr. Dwight W. Michener of the base, tax rates, and situations in Chase National Bank at a meetwhich sellers are permitted to ing of fthe New York Chapter of coerce buyers. Credit policy is an the American Statistical Associaimportant factor. In our present tion in October. Dr. Michener situation the outlook for prices noted that, in the recent past, the probably should be analyzed in prices of goods and services were remarkably stable while credit media to be issued by the political policy, interest rates, equity prices authorities, at the rate at which and the volume of production the prices paid for the services of were becoming subject to equally employees are increased, and the remarkable large fluctuations competence with which credit over the short term. He asked the corporation profits is not a matter policy is determined and man-questions, "Are we depending too of so much importance as are the aged. The personnel performing much on credit policy? Are we the latter function appear to be trying to use it to make unpleasunsually competent and effective, ant adjustments unnecessary?" The institutional situation in Please answer these questions for

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Another inference may be developed from an examination of plications concerning the outlook the character of our recovery. This is the fact that it remains to be proven that the increase in Federal revenue, derived from the taxation of corporate and personal incomes, will produce funds large enough to finance the expenditure apparently required to maintain a satisfactory volume of production and trade. The question seems to be whether the "feedback" from government expenditure will be adequate to finance the expenditure made. To some persons, of course, this is not problem, because it is assumed at continued borrowing by the political authorities is a necessary and desirable development. The problem is not new. What is new the context or situation in which it will be resolved in one way or another.

In concluding my remarks may remind you that the outlook for business is preordained to just about the same extent to which the market prices of your investments are predetermined. For this reason I reserve the privilege of changing the estimates in which I have the most confidence and perhaps you will want to do the same.

Form Pickman Inv. Co.

(Special to THE PINANCIAL CHRONICLE)

PALO ALTO, Calif.—Pickman vestment Company formed with offices at 555 Byron Street to engage in a securities business. Officers are Joseph F. Pickering, President, and David

#### With Walston & Co., Inc.

. (Special to THE FINANCIAL CHRONICLE) SALEM, Oreg.—John A. Gof-frier is now associated with Walston & Co., Inc. He was formerly witht he local office of Zilka,

Smither & Co., Inc. R. D. Braverman Opens

WESTFIELD, N. J.-Richard D. Braverman is conducting a securities business from offices at 800 Forest Avenue. He was formerly with Shiff & Co.

#### Forms Henley Co.

SOUTH ORANGE, N. J.-Leosecurities business from offices at to the extent possible with the reduction in the early months of 496 Mayhew Court under the firm funds employed. What I am the year, and actually has been name of Henley Co.

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## Mutual Funds

By ROBERT R. RICH

## Bache & Co. to **Market Shares** Of New Fund

**Formation of Investors Research** Fund, Inc., a new open-end invest-ment company with headquarters Keystone S-2 Share in Santa Barbara, Calif., was an-

The new company will be a diversified fund whose investment Stock Fund (Series S-2) increased objective will be designed to seek possible growth during market uptrends and protection of capital in declining markets.

announced that it has filed a reg- assets, number of shareholders, istration statement with the Se- and number of shares. curities and Exchange Commission in Washington, D. C., covering a proposed public offering of 490,-940 shares of capital stock at a principal underwriter.

**Investors Research Company of** Santa Barbara will be investment adviser to the fund. The research company has continuously published a regular weekly financial report since 1950 and since 1956 has managed "several millions of dollars" of private investment accounts, according to the registration statement.

John Robert Noble, general part-ner in Investors Research Company, is President and a director of the new fund.

director, and General Partner, Investors Research Company; Michael A. Aquino, Secretary, Treasurer and director, and Senior Security Analyst, Investors Research Company since 1957, and prior to that time Registered Representative, Wulff, Hansen & Co.; T. Preston Webster, Vice-President and director, and Partner of Cavalletto, Webster, Mullen & Mc-Caughey, Attorneys-at-Law, Santa Barbara; Charles Dager, director, and Partner Wolcott & Associates, Inc., Los Angeles; Anthony Gun-termann, director, and Certified Public Accountant, Santa Barbara; Arthur A. Henzell, director, and Partner of Cavalletto, Webster, Mullen & McCaughey, Attorneysat-Law, Santa Barbara.

"To carry into effect its purpose of continuous money manage- Williams, President and Treasurer,

The George

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if the trend of common stocks is down, and the relative trend in the worth of money is up, the fund may be invested largely in cash or

# Value Rises 29%

Keystone Income Common almost 29% in net asset value per share for the past fiscal year, according to the annual report for the period ended Nov. 30. The At the same time, the new fund Fund hit new highs in total net

Adjusted for the capital gains distribution of 28 cents per share, net asset value was \$12.00 on Nov. 30 compared with \$9.33 a year price to the public of \$12 per share. earlier. It has climbed another 54 Bache & Co. will serve as the cents a share in the month since the end of the fiscal year.

Total net asset value increased 40% for the year, reaching a new high of \$78,818,076 and keeping S-2 in its position as the largest of the 10 domestic funds under Keystone management. Total net assets of the organization reached almost \$424 million at the end of the calendar year.

In the last half of the fisca! year, Keystone S-2 increased its railroad holdings with the addition of 26,500 Southern Pacific, 12,500 Kansas City Southern and Other officers and directors of 10,000 Norfolk & Western. Ability the fund are: Jean Hall Caloudes, of the railroads to control their costs, thus strengthening dividends, prompted these investment decisions.

Largest additions to existing holdings were 17,500 shares of Flintkote Co. and 15,000 shares of Deere & Co. The Fund's largest individual holding is 50,000 shares of Standard Brands, which recently raised its dividend. The S-2 Fund has 57 individual issues in 14 industry groups.

Williams, Widmayer Opens

WASHINGTON, D. C. - Williams, Widmayer Incorporated, has been formed with offices at 5506 Connecticut Avenue, Northwest to engage in a securities business. Officers are Richard N. the registration statement and Don F. Widmayer, Vicesays, "the fund may be invested President and Secretary. Both are substantially or entirely in com- officers of the First Washington mon stocks if the trend of such Corporation.

## To Underwrite **Shares of Fidelity** Capital Fund, Inc.

securities is up. On the other hand, filed a registration statement with the Securities and Exchange This dividend is payable Feb. 2, Commission covering the proposed 1959 to shareholders of record on 1,000,000 shares of capital Jan. 7, 1959. Shareholders have cash equivalents such as short- stock at \$12 a share. Distributors term government bonds."

of the fund's shares are Hornblower & Weeks of Chicago and The Crosby Corporation of Boston. Fidelity Capital Fund, Inc., Reaches New High is a diversified open-end investment company with primary em-this past year climbed 60% to a phasis on capital appreciation new high of \$72 million after dispossibilities. It is managed by Fidelity Management & Research Company which also manages Fidelity Fund, Inc., and Puritan Fund's latest semi-monthly Direc-Fund, Inc.

The fund was organized by Fidelity Management & Research Company through offerings of 20,000 shares at \$10 per share ending May 27, 1958. The prospectus lists Edward C. Johnson 2nd as president. He owns 51/2 % of the outstanding shares; and he has been president and a director of the investment adviser since 1946 and is a vice president and director of The Crosby Corporation.

### **National's Assets** Advance by 55%

While looking ahead in its annual Forecast to, "A substantial improvement in general business and industrial activity in 1959," National Securities & Research Corporation can also look back upon 1958 as a year of substantial growth for the mutual funds under its supervision.

Combined assets, shareowners and shares outstanding of the National Securities Series of mutual funds stood at all-time highs on Dec. 31, 1958. Assets increased more than 55% from \$266,841,858 on Dec. 31, 1957 to \$414,334,061 on Dec. 31, 1958. During the same period, share-owners rose from 150,081 to 168,-127 and shares outstanding from 56,305,169 to 65,919,029. The rise in assets reflected both market appreciation and purchases by investors of \$70,858,859 in new shares in 1958.

#### **Wellington Equity Dividend Declared**

The directors of Wellington Fidelity Capital Fund, Inc., has ations on Oct. 24, has declared its first distribution of four cents per share from net investment income. the option to receive the dividend in cash or stock.

# **Delaware Fund**

Net assets of Delaware Fund tributions totaling almost \$2 million from income and close to \$3 million from capital gains, W. Linton Nelson reported in the tors' Letter.

Mr. Nelson, writing for Delaware Company, investment manager of Delaware Fund and Delaware Income Fund, said that net sales of Delaware Fund shares accounted for about one-third of the increase and market appreciation of portfolio securities for the remaining two-thirds.

The Fund, he recalled, held substantial amounts of cash or cash equivalents off and on in 1957-once early that year and then again in late summer, "The big decline which really got un-derway in August, '57," he went on, "climaxed in October and then floundered around in a broad range, getting no place until April of this year. During the 1957 de-cline," he continued, "we reinvested all of our cash-too early to help our comparative results that year, but in time to put us up with those at the head of the class this year."

Mr. Nelson also reported that Delaware Income Fund's net assets, which amounted to \$2.3 million at the start of the year, now total \$3.8 million after payments totaling \$175,000 from income and \$27,000 from capital gains. In this case, too, he said, net sales accounted for some of the increase, but again most of the rise reflects market appreciation.

"The going has not been as easy for Delaware Income Fund, which was launched in April, 1957," Mr. Nelson commented. The short

Continued on page 126

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J. R. Williston & Beane, 115 Broadway, New York City, mem- business depression, he said, forced "turn-around" year, in which the bers of the New York Stock Exchange, on Feb. 1 will admit Thomas A. McKay and James Cooper to general partnership and Marian B. Beane to limited partnership.



Shares may be systematically accumulated in amounts of \$30

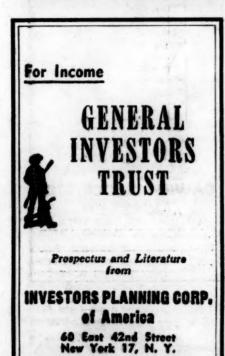
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## **Mutual Funds**

several of the higher dividend- market completed its severe corpaying companies to reduce divi- rection of the latter half of 1957 dends to conserve cash . . . a prac- and was led in its subsequent adtice which carried on well into vance by stocks in the more "se-1958. "But now with returning date" consumer groups, notably prosperity," he went on, "this sittobaccos.
uation is reversing itself, and the

It was the emphasis on these stocks of these companies should quickly return to favor as earnings pick up and dividends are increased again."

Mr. Nelson, who is also President of both Funds, said the management group feels that 1959 will offer many opportunities for profitable investing, but selection is going to be more difficult. "At this time last year," he recalled, "courage and a belief that Government would take steps to turn the economy around were all that was needed. Government did act and business did recover. Now," he continued, "it is up to the consumer and the businessman to do their part. We feel they will."

Group Securities' Assets Rise by 54%

The 25th anniversary of Group Securities, Inc., "has been an ex-cellent year for your company," writes President Herbert R. Anderson in his year-end message to shareholders.

Total assets rose \$51,162,718 to a record high of \$145,996,350 in the 12 month period ending Nov. 30, 1958, a gain of 54%, and "the largest year-to-year growth of assets in Group Securities' his-

Other record highlights of the year were:

The number of investors using the Group Securities Periodic Investment Plan increased by 50% and the value of shares held in the Plan rose by nearly 100% to \$8,684,000.

to \$52,856,231.

The report described 1958 as a Stock Exchanges.

long-depressed issues in the holdings of the company's more broadly diversified funds that accounted for their "unusually fainvestment results, acvorable" cording to the report. Common Stock Fund and The Fully Administered Fund (a balanced fund), with the price of each adjusted for the year-end 1957 and 1958 securities profits, are 15.5% and 16.3% above their 1957 highs, respectively, as compared with a 7% gain for the Dow-Jones Industrial Average.

The report suggests that this popular market indicator has tended to conceal the unevenness of the 1958 market recovery since, despite the new high for the index, three-fourths of the common stocks listed on The New York Stock Exchange are still selling below their prior 1955 through 1957 highs, many by substantial amounts.

Regarding the new year, the report concludes: "Thus, while many well-known stocks have run well ahead of their advancing values, many more offer good growth potential and excellent value. It is in this latter area that investment opportunities are to be found. Today, evidence continues to confirm that while many problems exist, the economy is in a strong forward movement, and that despite intermediate cor-Shareholder accounts increased rections, the market will continue by 6,455 to 43,244, a rise of 18%. to reflect this steady improvement over the longer-term."

> Hooker & Fay Add (Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. -Total assets of the largest Group Frank S. Kirkland is now con-

fund, The Common Stock Fund, nected with Hooker & Fay, 221 grew 95% in the 12 month period Montgomery Street, members of the New York and Pacific Coast

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Prospectus on request WILLIAM STREET SALES, INC. One William Street, New York 4, N. Y. Continued from page 12

## The Meteoric Growth Of Mutual Funds

ital gain distributions are made; he must assume with the ownershareholders (who pay the cap-ital gains rate applicable to their own tax bracket) are encouraged to keep their capital fully in- (which represents his proportion-vested by taking such distribuate interest in the value and in-tions in additional shares of the come from many securities) and

Ready Market

Another real advantage of owning shares in a mutual investment. Various proxies of of determining shares in a mutual investment, whether various rights should be company is the ready market in. the event the shareholder wishes to dispose of his holdings. This liquidity is a feature wnich is unique in the field of stock investing, since it means there is no lack of market such as might prevail if one had a large block of an individual stock issue,

The shareholder may withdraw. from a mutual fund at any time by simply presenting his shares to the fund or the custodian of the fund for redemption. The shareholder then receives the prevailing liquidating value which may show a profit or a loss on the investment, depending on the market value of the underlying securities held by the fund on the day of liquidation. Usually there is no commission or fee charged for the privilege of liquidation and ten thousand shares can be liquidated as easily and at the same price as ten shares.

Mutual Fund Shares as Collateral

Because mutual fund shares are highly liquid with the redemption value based on the value of the securities held by the fund, they make excellent collateral for bank loans. Thus, investors who might need money temporarily but who do not wish to dispose of their mutual fund shares are usually able to borrow emergency money from bankers, using such shares as collateral.

Custodianship

All mutual funds are required. to employ a bank custodian to hold the cash and securities of the fund. These custodians often register shares, make disbursements other similar purely clerical duvestment management of the fund or the value of its shares.

#### Convenience

Mutual fund shares are out-standing in their convenience. The investor is relieved of many bur- 1% to 9%, depending on the fund densome clerical, bookkeeping selected and the amount invested,

porate income taxes. When cap- and tax accounting details which ship of stocks and bonds of indi-vidual corporations. The fund shareholder has one certificate (which represents his proportionusually four varying dividend checks annually. He is relieved of the bother of signing and mailing various proxies or of determining exercised or sold.

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The Federal Internal Revenue Code specifically provides for special tax treatment of open-end mutual investment funds which permits such funds to be relieved of all Federal corporate income taxes under certain conditions. In order to realize this tax exemption, a fund must pay out a minimum of 90% of its net investment income to shareholders. If any portion of the income is retained by the fund, it is subject to corporation tax. Accordingly, most funds pay out all of their net income to shareholders. Likewise, if the realized capital gains are not paid out to shareholders, they are subject to the capital gains tax against the corporation. The management of most funds conduct their businesses so as to divest themselves of all investment income and capital gains in order to avoid the payment of Federal income taxes, and the shareholders then pay taxes on these distributions in accord with individual income brackets.

Price of Shares

Liquidating Value: The liquidating or net asset value of mutual fund shares is usually determined by taking the total market value of the fund's net assets and dividing it by the number of fund shares outstanding. This is the value received by shareholders who dispose of their holdings.

Public Offering Price: As in all goods and services, there is a sales charge included in the purchase of dividends to shareholders, pay price (public offering price) of approved expenses and perform mutual fund shares. There are usually no further commissions or ties. However, these custodians sales charges and an investment have no responsibility for the in- may be normally liquidated withsales charges and an investment out commission or fee. This offering price fluctuates in direct proportion to the net asset value which is generally determined once or twice daily. This initial sales charge may vary from 1/2 of



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he specific fund which gives details of the sales commission and ther perunent information. A few funds offer their shares at net asset value. A purchase of a lew hundred or a few thou and dollars will include the maximum sales charge. On large purchases, most funds reduce the percentage of sales charge so that on the purchase of \$100,000 or more, the charge may be only 2%. A purchase of \$1 million or more may involve only a sales charge of 1/2

"Amortize" Sales Charge: The sales charge on the purchase of mutual fund shares should be considered by the investor as a capital expense that is spread or theoretically amortized over the entire life of the investmentmuch like spreading the premium on fire insurance over the entire period of coverage instead of charging it off in the first year. The sales charge may be compared to the initiation fee that one would pay to join a lodge or country club-its cost should be considered in relation to value received, If you are going to be around only for a short time you would not join. Likewise mutual fund shares should be considered only as long term investments-holdings that should be given ample time to make up the initial outlay.

Sales Charge vs. Results: Whether the sales charge seems high or low depends entirely on results. It is quite possible that the results of professional management may prove superior to results obtained by "amateur" management of investments-and in such cases, the sales charge in itself may prove to be a "good investment.

Unlimited Supply: There is practically no limit to the number of mutual fund shares which may be purchased at the public offering price—a sharp contrast to the purchase of a large block of an individual issue on one of the national exchanges or on the 'over-the-counter" market, where the price is directly affected by supply and demand.

#### Origin and Development

The basic idea of pooling money. vestment company may be traced trusts failed, and the shrinkage in

as set forth in the Prospectus of to Belgium in 1822 where King the value of their assets was even William I organized the Societe Generale de Belgique. The idea did not gain wide acceptance until 1880 to 1890, when several important Scottish companies were formed.

The canny Scots readily saw the advantages of pooling their investment funds to total a sufficiently large amount so that experienced money managers could be obtained at a relatively low proportionate cost to each shareholder. Through this medium, Scottish and later British investment companies were able to accumulate hundreds of millions of pounds wnich were invested throughout the world. Much of this British and Scottish capital was invested in farm mortgages in the United States, and there are companies in existence today whose names give evidence of this, such as the Scottish Investors Mortgage Company, and Scottish - A merican Mortgage Company.

#### Early American Pattern

Due to a scarcity of enterprise capital in the United States until the beginning of the 20th Century, the investment company idea started slowly here. In the period of 1890-1920 only a few American investment companies made their appearance. These early examples of the modern American investment company followed the example of the British predecessors and placed primary emphasis on income and

In the roaring 20's, particularly after 1926, a flood of investment companies appeared on the American scene. Some of these companies were the "fixed trust" type, wherein the investment management selected a portfolio which could not be changed for the duration of the trust. Other trusts were formed primarily as a medium of speculation. Many banking firms formed trusts which were nothing more than a dumping pool for their own unsalable underwritings. By the end of 1929 there were over \$7 billion of assets in investment companies with about 675 active companies. The years from the stock market break in order to secure the advantages in November, 1929, to mid-1932 of spreading the risk over many were trying times for such Amersecurities is not new. The first in- ican investment trusts. Many

more pronounced than their growth in the preceding boom.

#### The Modern Mutual Investment Fund

Out of the crucible of chaos following the market crash of 1929, the abuses of investors' confidence in the early American types of trust, and the resulting corrective legislation, was forged the new American version of the mutual investment fund. This investment vehicle-the open-end mutual investment fund—is a far cry from the trusts of the roaring 20's. Then the managements of many so-called investment companies were more concerned with their own personal affluence than with the well-being of shareholders and the security of investment company assets. Now, the investor may possibly lose money in muinvestment fund shares through a drop in security prices but he is very unlikely to lose because of dishonesty of manage-

The present mutual fund-with its open-end feature to make new shares constantly available with a redemption feature—is thus the American concept of the basic original idea of pooling money to secure the benefits of broad diversification to spread inherent investment risk.

#### **Adequate Regulation**

Open-end mutual investment funds must register with the Securities and Exchange Commission and are also subject to State Laws and regulations. The purpose of the Federal and State regulations is to protect the interest of the shareholders and to eliminate the abuses in investment company operation in evidence during the 1920's. Such Federal and State regulation, however does not involve supervision of management or investment practices or policies.

The mutual fund industry 'came of age" with the passage in 1940 of the Investment Company Act after several years of study and investigation by Congress. The passage of this Act, which provided for continuous supervision of the industry by the SEC, has caused mutual funds to prosper and expand in much the same way as the Congressional investigations and corrective legislation early in the century caused the turning point of the life insurance industry, which now has become one of the financial bulwarks of the nation.

Federal regulation because of its emphasis on disclosure of pertinent facts has resulted in increasing public confidence and acceptance of this investment me-

#### Wide Choice of Funds

The mutual fund, unfortunately, is not a panacea for all investment evils. No one mutual fund will fit all needs-just as no one golf club will be suitable for all shots on a golf course. However, there are many different types of funds available so that the investor can select one or a combination that will coincide most nearly with his objective.

Balanced Funds: There are conservative balanced funds consisting of high-grade bonds, preferred stocks and common stocks which are aimed at current income. There are also balanced funds with medium quality securities to provide a somewhat higher income than is available from highgrade securities, and with correspondingly greater risk.

Common Stock Funds: For investors who may wish a chance for long-term growth of capital and income and who are in a position to accept the risk involvedthere are funds composed of a broad list of dividend-paying common stocks.

Bond Funds: Investors with adequate commitments in either stocks or real estate, may desire a conservative backlog to balance

their account. For them, there are ment company shares, subject to mutual investment funds which certain limitations. invest exclusively in bonds.

Other Types: A few mutual funds invest only in preferred stocks. Other funds have as their investment objective maximum volatility or appreciation in rising markets (with, of course, a concomitant risk of faster than average depreciation in declining markets). Some hold so-called "growth" stocks. Others are known as "Class" funds which invest, for example, in steel shares, oil shares, or other industrial

Whatever an investor's objective may be . . . whether it is emphasis on current income . . . emphasis on defensive characteristics

appreciation in rising markets . low priced stocks for maximum volatility . . . partial hedge against inflation ... or any other investment goal, the investor is likely to find one or more mutual investment funds with similar objectives. There is risk, of course, in the ownership of any market security, so there can be no assurance that these objectives will be achieved. However, it is reasonable to assume that full time professional investment managers are more likely to do a constructive job than the average in-

#### Mutual Funds for Trust Accounts

It is significant that mutual fund shares are being used in steadily increasing amounts as trust investments. Late in 1957, a survey by the National Association of Investment Companies showed that more than \$600 million worth of mutual fund shares were held by institutional investors, including fiduciaries, institutions and foundations, pension and profit-sharing funds, unions, insurance companies and other financial institutions.

Now most states permit a trustee to purchase mutual investment shares for trust accounts, subject to certain limitations.

New Hampshire and Rhode Island regulations permit investment include Texas oil millionairesby savings banks in certain mutual investment funds, subject to certain limitations.

Three states-Nebraska, Wisconsin and Wyoming permit purchases by fiduciaries of invest-

Nineteen states permit trustees to purchase mutual fund shares for trust accounts — some by amendment to the "Prudent Man Rule," and some by court action, statute or judicial opinion. These states are:

Arkansas

Colorado Kansas Kentucky Maine Massachusetts Michigan Mississippi New Hampshire New Jersey New Mexico North Dakota Oklahoma Pennsylvania South Carolina Tennessee Virginia Washington. West Virginia

Nineteen other states have adopted "Prudent Man" rules without specific mention of mutual investment funds. Some trustees have purchased mutual fund shares under such rules and have been upheld by the courts. These "Prudent Man" Rule states are:

> California Connecticut Delaware Florida Illinois Maryland Minnesota Missouri Nevada New York North Carolina Ohio Oregon Rhode Island South Dakota Utah Vermont

#### Shareholders of Mutual Funds

Shareholders of mutual funds widows - professional people grocers-gas station attendantstrust accounts - labor unions college endowment fundschurches . . . in fact people in all

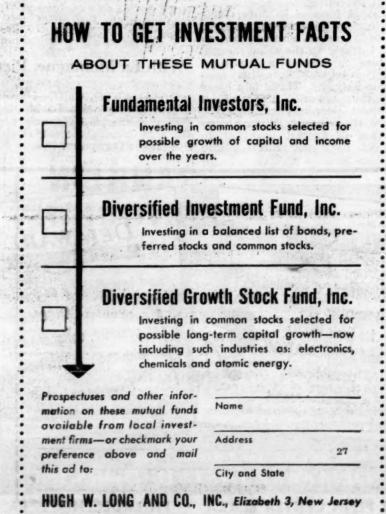
Continued on page 128



# Affiliated Fund

A Common Stock Investment Fund Investment objectives of this Fund are possible long-term capital and income growth for its shareholders. Prospectus upon request

LORD, ABBETT & CO.





## The Meteoric Growth Of Mutual Funds

age groups and walks of life as 10. Other funds require no minwell as many institutions. Invest- imum initial investment. Subsements range from well under \$1,-000 to over \$1 million.

The average mutual fund buyer is not looking for a killing in the stock market but rather for a conservative investment that will

#### Systematic Investing

One of the most significant developments in the mutual fund industry in recent years is the widespread acceptance of various forms of periodic purchase plans.

Hundreds of thousands of individuals and many institutions buy mutual funds a little at a timea small initial investment with small subsequent investments every month or quarter or perhaps every year. Prior to the periodic purchase plans offered by mutual funds or the Monthly Investment Plan offered by the New York Stock Exchange, many persons of average means deferred making investments until they had a worthwhile round sum —a happy state which many did not achieve. Now one can start to acquire stock ownership in American industry by investing modest sums on a periodic basis. Some funds require a minimum initial purchase of from \$20 to \$250 or the purchase of a minimum number of shares such as

Shareholders' Trust

of Boston

A balanced mutual fund for cur-

rent income and possible long-

term growth of income and capi-

Prospectus on request

Chase Distributors

Corporation

75 Federal Street, Boston 10, Mass.

quent investments must be not less than \$25 with many funds, \$50 in other funds, and no minimum in others.

As of Sep. 30, 1958, there were over 800,000 of these accumulabe held for 10 to 20 years or life, tion plans in effect (including both voluntary and contractual types) with a total value of \$1,-119,000,000, Approximately 60,000 new accounts have been opened during each of the first three quarters in 1958, according to figures released by the National Association of Investment Companies. New accumulation plans opened in 1958 should exceed the 1957 total of 220,897 new accounts which was a number substantially in excess of any previous twelve month period.

The accumulation plans referred to above include only those in which the planholder has made provision for the investment of new money at regular intervals. The great majority of these plans also include provision for reinvestment of distributions. Accumulation plans are generally of two types. One is the contractual type under which the investor formally agrees to make regular periodic investments for a specified period of time. The other, known as the voluntary type, is a less formal plan in which no total time period or ultimate investment amount is specified.

Some accumulation plans are being used for corporate retirement and profit sharing programs, union funds, and other similar tinuing flow of new money for investment.

In contemplating a plan of sysrealized that the plan involves inachieved. As in all investments, may in the future, as in the past, such a program does not assure a move in the opposite direction profit nor protect against loss in from the cost of living trend.

shares is less than the cost. The risk of loss must be measured as against the opportunities for profit. Such a plan involves continuous investments in shares at regular intervals regardless of price levels so that the investor must take into account his financial ability to continue such a plan through periods of low price levels. PLANS SHOULD BE MADE TO BUILD INVESTMENTS IN SUCH PROGRAMS OVER A LONG PERIOD OF TIME.

#### Reasons for Growth of Mutuals

Of course a part of the growth to over \$12 billion of assets over the past 18 years is due to the 000. The marked trend in recent and long term, prospects are exgeneral advance of security prices. Nevertheless, as shown by the accompanying chart, there has been a strong upward trend in the annual volume of gross and net sales since 1941. It is estimated that in the period of 1940 to the 1958 year-end, some \$8 billion of new money will have been invested in mutual funds. This dynamic growth of mutual funds would appear to evidence public acceptance and confidence in this form of investment.

A strong reason why people buy mutual funds is desire for income. In 1957, mutuals distributed some \$322 million as income dividends. With many sources of income, a mutual fund is likely to pay regular income dividends although in varying amounts.

Then, the sales effort in merchandising mutual fund shares has story being told to an ever grow- from that of the fund. ing number of people it is inevitable that sales will expand.

One of the most compelling reasons for growth in mutual purposes where there is a con-funds, especially of the common over the last 15 years, could easily stock variety, is that they offer a result in \$40 billion of assets by sound and productive method to 1968-with 5 million shareholders. share in the long range upward tematic investment, it should be trend of our economy as an offset against the historically dimin- high. vesting in a security which is sub- ishing purchasing power of the Statistics available from the ject to market fluctuation so that dollar. It should be realized, how- SEC show estimated liquid assets there can be no assurance that the ever, that at times, the value of of individuals (currency, demand investor's objective will be shares and the income they pay

SALES & REDEMPTIONS OF MUTUAL FUND SHARES

years toward redistribution of na- cellent for record mutual fund tional income in favor of the lower income groups has enabled many to accumulate surplus funds for investments despite higher living costs.

Medium - sized investors with \$20,000 to \$50,000 have also been attracted to mutual funds.

Mutual investment funds also have attracted substantial investors and many single investments of a million dollars or more have been made by individuals, insti-tutions and endowments. Harvard University, with perhaps the largest endowment fund in the world (over \$535 million), after operating the account themselves for many years, in 1948 turned over the management of its account to the investment management of a mutual investment company practical evidence of confidence in professional investment manbeen expanding in recent years as agement. It must be realized, more and more brokerage houses however, that Harvard University and investment dealers go into did not invest in a mutual fund this segment of the investment and that the objective of the Unimarket. With the mutual fund versity account may be different

#### What of the Future?

A continuation of the dynamic growth trend of mutual funds

Liquid savings of individuals in business. the United States are at all time

deposits, time deposits, savings and loan shares and U. S. Government securities) at over \$280 billion at the 1958 mid year-an declining market, and a loss The backbone of the growth of all time high. Some of these funds would be incurred if the plan mutual funds has been the small will undoubtedly find placement were discontinued at a time when investor—with as little as \$500 in the investment market and the market value of accumulated and probably not more than \$10,- many will prefer the "mutual" way of investing.

Personal income in July, 1958, according to government reports, rose to a record annual rate of \$354.5 billion. In the same month, investors purchased a record monthly total of \$165 million mutual fund shares. There is a clear correlation between the amount of money people earn and the Catlin is new with La Montagne, amount they invest. With a con- Pierce & Co., 422 Waverly Street. tinuation of record earnings in He was formerly with Dividend prospect over the intermediate Securities Company.

sales.

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There are many millions of people in the U.S. who enjoy more income and have larger savings than ever before - but who have never bought securities principally because they are unfamiliar with the nature of investment. Inevitably, many of these will become mutual fund shareholders through the educational efforts and salesmanship of investment

Inflation will continue to exert pressure on the American family. With the traditional havens for money not returning sufficient income to offset rising living costs and taxes, more and more inflation-conscious investors who can afford the risks of equity investing will seek long term growth of capital and income in common stocks. Many will choose mutual funds for this purpose.

Another dynamic prospect for mutual fund investment is the pension fund, now growing, in the aggregate, at a rate of about onehalf billion dollars a year.

Prospects are bright indeed for the mutual fund industry more and more Americans put their surplus funds to work in the growth, income and profits of ever expanding American industry and

#### Clarence M. Lewis

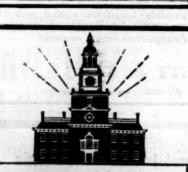
Clarence M, Lewis passed away Jan. 4 at the age of 82. Prior to his retirement in 1932 he had been a partner in William Salomon & Co. and Blair & Co.

#### Prince Edward Lobkowicz

Prince Edward Joseph Lob-kowicz, associated with Fahnestock & Co., as a customers broker passed away Jan. That the age

#### With La Montagne, Pierce

(Special to THE PINANCIAL CHRONICLE) PALO ALTO, Calif.—Harold S.



## PHILADELPHIA FUND

A Mutual Investment Fund Prospectus on Request

Fahnestock V Co.

DISTRIBUTOR (ESTABLISHED 1881)
Members New York Stock Exchange 123 So. Broad St., Phila. 9, Pa. Kingsley 5-3311

NAME ADDRESS CITY STATE

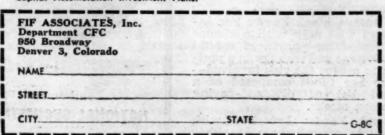
## HAVE YOU CONSIDERED FINANCIAL INDUSTRIAL FUND?

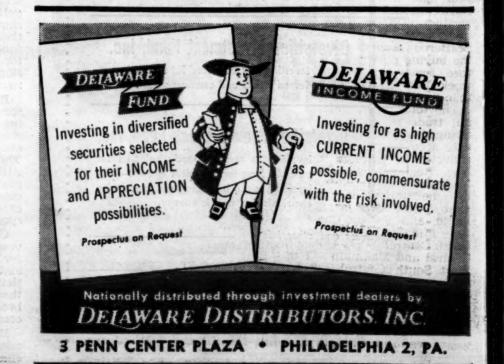
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## The State of Trade and Industry

Higher prices on most grains, lower livestock, butter, and sugar

Encouraged by a good backlog of export business, grain trading picked up during the week, and prices advanced somewhat. Increased buying of rye boosted prices noticeably. Wheat prices moved up somewhat from the prior week, and transactions improved. Although sales of corn were close to a week earlier, prices increased fractionally. There was a moderate dip in soybean turnover, and prices were down slightly.

Although both domestic and export buying was sluggish this week, flour prices were slightly higher than a week earlier. There was a marked rise in orders for rice from domestic buyers and inquiries from exporters were up substantially, but prices were unchanged from the prior week.

Coffee trading slipped this week, but prices were sustained at the prior week's levels. The news developments in Cuba apparently than increases in home owners' had little effect on sugar trading in the United States, as volume was close to that of the prior week and prices were steady. Although cocoa trading livened up during the week, prices fell some-

Hog receipts in Chicago expanded noticeably this week, but trading remained at the level of a week earlier; hog prices were down somewhat. There was an appreciable rise in the salable supply of steers and trading moved up, but prices were off fractionally. Increased lamb receipts prompted a slight decline in prices, as trading lagged. Contrary to the decline in hog prices, lard prices rose appreciably during the week.

There was an appreciable rise in cotton trading on the New York Cotton Exchange in the week ended Jan. 6, but prices were unchanged from the prior week. In the latest week exports of cotton amounted to about 38,-000 bales, compared with 78,000 in the prior week and 107,000 in the similar week a year ago. For the season through last Jan. 6 exports totaled 1,285,000 bales, against 2,333,000 during the comparable period last season.

#### Clearance Sales Promotions Stimulate Trade

Attracted by numerous clearance sales promotions, consumers stepped up their buying of apparel, some appliances, and linens in the week ended Jan. 7, and the total dollar volume of retail were prevented by unfavorable weather in some areas and limited stocks among some retailers. Scattered reports indicated that the buying of new passenger cars rose somewhat from the prior week and were slightly higher than a year ago.

The total dollar volume of retail trade in the week was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Median Market Value of Houses Inc. Regional estimates varied from the comparable 1958 levels by the following percentages:
East North Central, South Atlantic, and Pacific Coast +1 to
+5; Middle Atlantic and West North Central 0 to +4; East South Central and Mountain -1 to +3; West South Central -2 to +2; New England -5 to -1.

There was a noticeable rise in the buying of women's Winter coats, dresses, and fashion accessories and volume in sportswear was up slightly; overall the increase of those from \$6,000 for conventional loans \$6,277 (outsales of women's apparel med- to \$6,999 was 37%; those in the standing balance \$4,637).

ing date a year ago was 278.20. erately exceeded that of a year Higher prices on most grains, ago. Year-to-year gains in purflour, and rubber were offset by chases of men's suits, topcoats, and sportswear offset decline in furnishings. Increased buying of boys' shirts, slacks, and jackets boosted total sales of boys' merchandise slightly over last year.

Attracted by openings in New York City, apparel buyers noticeably stepped up their orders for women's Spring dresses, sports-wear, blouses, and millinery, and volume was close to last year. the week ended Jan 3, 1959, Bookings in women's Spring coats showed a decrease of 3% below and suits were down slightly from that of the like period last year. the similar period a year ago. The In the preceding week, Dec. 27, call for men's Spring clothing ex- 1958, a gain of 23% was reported. panded considerably and was close to last year. In preparation for 1959, an increase of 22% was Easter, retailers increased their noted. For the period Jan. 1, 1958, buying of children's clothing over to Dec. 27, 1958, an increase of 3% both the prior week and a year was registered above that of the

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Jan. 3, 1959, advanced 3% above the like period last year. In the preceding week, Dec. 27, 1958, an increase of 30% was reported. For the period Jan. 1, 1958, to Dec. 27, 1958, an increase of 1% was recorded above

that of the 1957 period.

Retail trade sales volume here in New York City the past week, according to estimates by trade observers was unchanged from the

According to the Federal Reserve Board's index, department store sales in New York City for For the four weeks ended Jan. 3, corresponding period of 1957.

## Home Owners' Incomes Outrun Their Mtg. Debt

As a rule, increases in mortgage debt on United States homes in recent years have been less

incomes. And in spite of depreciation, current "market value" of mortgaged homes rose by 33% in the period from 1950 through end of 1956.

Both of these findings, ac-cording to Saul romkes, President of the City Title

are contained in one of the govreau of the Department of Com- creased from 54 to 44. merce: "1956 National Housing Inventory-Volume II, Financing of Owner - Occupied Residential Properties."

#### Debt and Income

In comparing home mortgage debt and home owners' income, Mr. Fromkes reports, this Federal study shows that median FHA home owner debt at the end of 1956 was 1.17 times median annual income of FHA home owners, compared with 1.26 times income in 1950, while Veterans Administration median mortgage debt was 1.51 times VA home owner income in 1956, compared with 1.54 times income in 1950. During the same period, median conventional mortgage debt detrade slightly exceeded that of a creased from 0.84 times owners' year ago. More noticeable gains income in 1950 to 0.82 times income in 1956.

> In comparing the current "market values" of mortgaged homes on which data were obtained in both the 1950 Census and in the special 1956 National Housing Inventory, the government found that the median value in 1950 was \$7,929, and at the end of 1956 was \$10,566, an increase of \$2,637, or

In a table covering various price ranges in this section of the report, according to the City Title Insurance Company executive, Census Bureau experts estimate that the median current market value of houses that were checked in each year and were in the \$4,-

\$7,000 to \$7,999 range, 33%; those in the \$8,000 to \$8,999 range, 30%; those in the \$9,000 to \$9,999 range, 27%; those in the \$10,000 to \$14-999 range, 32%, and those from \$15,000 to \$19,999, 22%.

The special inventory estimated that the median current market value of all mortgaged houses as of Dec. 31, 1956 was \$12,416, with 31% of them valued at less than \$10,000, another 35% from \$10,000 to \$15,000, and 34% valued at over \$15,000.

#### Other Highlights

Some of the other highlights on home mortgage conditions revealed by the 1956 National Housing Inventory, as cited by Mr. Fromkes:

(1) As the number of mortgaged Insurance Company of New York, owner-occupied, single - dwelling\_ unit properties increased from 7,ernment's most important real es- 052,000 in 1950 to 12,713,000 in tate publications of 1958, issued 1956, the percentage of nonlate in October by the Census Bu- mortgaged units of this size de-

(2) The median total borrowing, including first and second mortgages, for the purchase of new units rose from \$4,458 in 1950 to \$7,865 in 1956. But allowing amortization, on existing homes, the median of outstanding debt rose from only \$3,427 to

(3) Mortgage debt on new single-unit houses built between 1950 and 1956 accounted for 63% of total outstanding home mort-gage debt in 1956. The debt on houses built before 1950 was yirtually unchanged.

(4) FHA and VA guaranteed loans accounted for 44% of firstmortgage loans in 1956, compared with 41% in 1950, and 55% of total outstanding mortgage debt in 1956, compared with 45% in 1950. During this span, the number of A loans increased 188%, and FHA loans 85%.

(5) Total single-family owneroccupied outstanding home mortgage debt of \$79.4 billion in 1956 amounted to 54% of the estimated value of mortgaged properties, while the total of \$28.6 billion in 1950 was 48% of estimated value. The 1956 debt outstanding amounted to 83% of the original loans; the 1950 outstanding debt equalled 82% of original loans.

Of all mortgaged homes, 32% were built prior to 1940; 20% were built between 1940 and 1950; 33% were built in the 1950-54 period, and 15% were built in 1955 and

(7) The median original amount 000 to \$4,999 range in 1950 rose of FHA first mortgage loans was 44% by the end of 1956; the me- \$8,428 (outstanding balance in dian for those that were in the 1956 \$7,048); for VA loans \$9,804 \$5,000 to \$5,999 range rose 46%; (outstanding balance \$8,715), and

## Railroad Securities

#### Missouri Pacific

Improvement in economic conditions in the West and Southwest in the final quarter of 1958 brought about a betterment in earnings of the Missouri Pacific Lines. Earlier in 1958, carloadings had been running as much as 13% under 1957. With the gain in business during the final months, it is estimated the road ended the year with loadings off only 5¼% as compared with 1957.

This improvement brought gross revenues up to an estimated \$290 million, down only 3% from 1957. The road had to exercise strict control over expenses during the year in view of the rise of about \$8,800,000 in wage expenses. After mandatory appropriations and capital funds, the balance for the year is placed at \$4,500,000.

November showed a good improvement over the like 1957 month with gross revenues of \$24,653,713 compared with \$22,-879,786 in November, 1957. For gross was \$266,197,035 against \$274,204,227 in the like 1957 months. Net income in November was \$2,136,976 as compared with \$1,973,165 in the 1957 month, and for the 11 months in 1958 net income was \$12,508,814 against \$14,-939,622 in the like 1957 months.

In November \$364,000 was accrued for Federal Income taxes compared with a credit accrual of \$400,000 in November, 1957. For crued for Federal Income taxes of the lower fares.

compared with \$3,020,000 in the 1957 months. The balance after mandatory capital and sinking funds for November was \$1,240,-879 compared with \$1,116,140 in the like 1957 month and for the 11 months the balance was \$2,-852,189 against \$5,025,205 in the like period of 1957.

It has been officially forecast that the prospects for 1959 appear to be favorable for the Missouri Pacific. The territory served by the road seems to be accelerating its recovery from the effects of the recession more rapidly than many other regions. The road has been able to diversify its traffic, gaining a broader base and now has increasing manufacturing and industrial activity as well as agricultural products, mines and for-

Missouri Pacific is one of the few railroads which has been seeking additional passenger traffic, even to the extent of reducthe first 11 months of last year ing fares and placing special fares in effect. Lower fares on the Colorado Eagles has made additional traffic available. Surveys among passengers in these coachfare sleepers indicated that 37% would have used just the coach seat had not reduced Pullman fares been in effect; 23% would have traveled by air, 14% by private automobile and 3% by bus. Only 10% were former Pullman the 11 months, \$967,000 was ac- car patrons who took advantage

## Savings Banks' Deposits and Mortgage Funds

Continuous monthly deposit increase in mutual savings bank industry, exceeding deposit gains of paralleled 1957 months, is reported by National Association of Mutual Savings Banks. Survey notes sharp increase in net flow of mortgage funds and anticipates continued large flow of mortgage funds for several months ahead.

mutual savings banks exceeded those in corresponding months of are expected to reach \$2.5 billion on record. Total deposits in the banks are expected to exceed \$34 billion at the end of 1958, and assets to reach more than \$38 billion.

The year-end survey, issued by the National Association of Mutual Savings Banks, indicated that with the anticipated rise in personal incomes, deposit gains in the mutual savings banks should psychology that could cause accelerated efforts at hedging.

The investment pattern of savings banks during 1958 showed a sharp increase in the net flow of downturn in the pace of corporate security investment after the first five months of the year, and continued reduction of the banks' holdings of U. S. Government se-curities. During 1958 the average monthly rate of increase in mortgage holdings was over \$175 million, compared with nearly \$120 million during most of 1957. Net mortgage acquisitions for the year are expected to exceed \$2 billion, compared with \$1.4 billion in 1957 and the record \$2.4 billion in 1955. Total mortgage holdings at the end of the year will exceed \$23 billion, representing a little more than 60% of total assets.

ment securities, bringing their to- and the Pacific Northwest.

During every month in 1958, tal holdings at the end of the year deposit gains in the nation's 519 to \$7.3 billion, or slightly less than 20% of total assets.

During the early months of 1957, and for seven months the 1958, the savings banks acquired gains were the largest on record. corporate securities at a greater By year-end total deposit gains rate than during the latter half of the year. Net investment for the largest gain for any year 1958 will be close to the 1957 volume of \$800 million. This will bring total holdings of corporates to \$5.1 billion by the end of the year, representing more than 13% of total assets.

Mortgage commitments at most savings banks, the report added, will probably mean that for several months ahead there will be a continued large flow of mortgage funds. Government security continue through 1959, assuming holdings of savings banks are at no strong revival of inflationary a postwar low, relative to their total assets, but it is possible that savings banks may become net purchasers of Governments during 1959. Much will depend on any Treasury decisions to compete mortgage funds, a corresponding on the basis of rate and terms with other capital market borrowers, it was pointed out.

The year-end report was issued by the National Association of Mutual Savings Banks, which represents the savings banks on a national level in their efforts to improve thrift services and gain wider appreciation of the contributions made by the banks to individual depositors and the economy. The 519 mutual savings banks, which are State-chartered and supervised, are non-profit thrift institutions, operated for the benefit of depositors. They are located in 17 States, principally During 1958 the savings banks in the North Atlantic States but sold \$300 million U. S. Govern- are found also in the Midwest

## Securities Now in Registration

Advanced Research Associates, Inc.

Dec. 1 filed 400,000 shares of common stock (par five cents). Price-\$6 per share. Proceeds-For research and development program; and for equipment and working capital. Office — 4130 Howard Ave., Kensington, Md. Underwriters — Wesley Zaugg & Co., Kensington, Md., and Williams, Widmayer Inc., Washington, D. C. Offering-Expected in January.

Alaska Juneau Gold Mining Co.

Dec. 29 filed 640,660 outstanding shares of common stock, of which 300,000 shares are to be offered currently and the remaining 340,660 shares in the future. -To be supplied by amendment. Proceeds-To selling stockholders. Office—6327 Santa Monica Boulevard, Los Angeles, Calif. Underwriter—Lester, Ryons & Co., Los Angeles, Calif.

Allied Publishers, Inc., Portland, Ore. Nov. 28 (letter of notification) 22,000 shares of common stock (par \$1). Price—\$8.50 per share. Proceeds—For general corporate purposes. Office—665 S. Ankeny St. Portland 14, Ore. Underwriter—First Pacific Investment Corp., Portland, Ore.

All-State Properties Inc.

Dec. 29 filed 685,734 shares of capital stock (par \$1) to be offered for subscription by stockholders at the rate of 11/2 new shares for each share held (for a 15-day standby. Price - \$2 per share. Proceeds-For additional working capital and new acquisitions, etc. Office—30 Verbena Avenue, Floral Park, N Y. Underwriter— None. Offering—Expected about the middle of February.

American Asiatic Oil Corp. Nov. 24 filed 100,000,000 shares of capital stock. Price— Two cents per share. Proceeds—To selling stockholders. Office—Magsaysay Building, San Luis, Ermita, Manila, Republic of Philippines. Underwriter — Gaberman & Hagedorn, Inc., Manila, Republic of Philippines.

American Buyers Credit Co.

Nov. 13 filed 5,000,000 shares of common stock, of which 4,545,455 shares of this stock are to be offered for public sale at \$1.75 per share. [Shares have been issued or are Issuable under agreements with various policy holders In American Buyers Life Insurance Co. and American Life Assurance Co. (both of Phoenix) permitting them to purchase stock at \$1.25 per share. Sales personnel have been given the right to purchase stock at \$1.25 per share up to the amount of commission they receive on stock sales made by them.] Proceeds-For the operation of other branch offices, both in Arizona and in other states. Office-2001 East Roosevelt, Phoenix, Ariz. Underwriter-None.

American-Caribbean Oil Co. (N. Y.)

Feb. 28, 1958, filed 500,000 shares of common stock (par 20c). Price-To be supplied by amendment. Proceeds -To discharge current liabilities and to drill 10 wells. Underwriters-To be named by amendment.

American Enterprise Fund, Inc., New York Oct. 30 filed 487,897 shares of common stock. Pricemarket. Proceeds-For investment. Distributor-Edward A. Viner & Co., Inc., New York.

American Growth Fund, Inc., Denver, Colo. Nov. 17 filed 1,000,000 shares of capital stock (par one cent). Price-At market. Proceeds-For investment. -800 Security Building, Denver, Colo. Underwriter-American Growth Fund Sponsors, Inc., 800 Se-

curity Bldg., Denver 2, Colo. American Mutual Investment Co., Inc.

Dec. 17, 1957, filed 490,000 shares of capital stock. Price -\$10.20 per share. Proceeds - For investment in first trust notes, second trust notes and construction loans. Company may develop shopping menters and build or purchase office buildings. Office—900 Woodward Bldg., Washington, D. C. Underwriter—None. Sheldon Magazine, 1201 Highland Drive, Silver Spring, Md., is Presi-

American Telemail Service, Inc.

Feb. 17, 1958, filed 375,000 shares of common stock (par \$1). Price-\$4 per share. Proceeds-To purchase equipment and supplies and for working capital and other corporate purposes. Office-Salt Lake City, Utah. Underwriter—Amos Treat & Co., Inc., of New York. Change in Name—Formerly United States Telemail Service, Inc. Offering-Expected early in 1959.

• Arnold Altex Aluminum Co. (1/26-30)

Jan, 5 filed 250,000 outstanding shares of common stock. Price-To be supplied by amendment. Proceeds selling stockholders. Cruttenden, Podesta & Co., Chicago, Ill.

Associated Bowling Centers, Inc.

Nov. 24 filed 300,000 shares of 20-cent cumulative convertible preferred stock (par one cent) and 50,000 outstanding shares of common stock (par one cent). The preferred shares are to be offered for public sale for the account of the company and the common shares will be offered for the account of a selling stockholder. Price -To be supplied by amendment. Proceeds-To acquire new bowling centers and increase working capital (part to be used in defraying cost of acquisition of stock of owner of a Brooklyn (N.Y.) bowling center. Office—
135 Front St., N. Y. Underwriter — To be named by amendment. Offering—Expected any day.

\* Australian Grazing & Pastoral Co., Ltd.,

Cisco, Texas Jan. 13 filed 4,000,000 shares of common stock. Price—At par (561/4 cents per share). Proceeds—To purchase cattle; for improvements; to buy additional ranch in

Queensland, Australia; and for other corporate purposes. Office-1301 Avenue L, Cisco, Tex. Underwriter-None. Ramon Kannon is President.

Autosurance Co. of America

Oct. 16 filed 250,000 shares of common stock (par \$2.50). rrice-\$5 per share. Proceeds-To increase capital and surplus. Office-Atlanta, Ga. Underwriter-None. Statement effective Dec. 3.

 Avco Manufacturing Corp., New York (1/27) Jan. 7 filed \$15,000,000 of convertible subordinated de-bentures, due Feb. 1, 1979, to be offered for subscription stockholders of record about Jan. 27, 1959 on basis \$100 of debentures for each 64 shares held; rights to expire on Feb. 10, 1959. Price—To be supplied by amendment. Proceeds — To reduce short-term bank loans. Underwriters—Lehman Brothers and Emanuel, Deetjen & Co., both of New York.

Bankers Fidelity Life Insurance Co. Feb. 28, 1958, filed 258,740 shares of common stock (par \$1), of which 125,000 shares are to be offered publicly and 133,740 shares to employees pursuant to stock purchase options. **Price**—To public, \$6 per share. **Proceeds**—For expansion and other corporate purposes. **Office**—Atanta, Gs Underwriter-None.

Bankers Management Corp.

Feb. 10, 1958, filed 400,000 shares of common stock (par 25 cents), Price-\$1 per share. Proceeds-To reduce outstanding indebtedness and for working capital. Office-1404 Main St., Houston, Texas. Underwriter—McDonald, Kaiser & Co., Inc. (formerly McDonald, Holman & Co., Inc.), New York.

Bankers Southern, Inc.

April 14, 1958, filed 8,934 shares of common stock. Price -At par (\$100 per share). Proceeds-For general corporate purposes. Underwriter-Bankers Bond Co., Louisville, Ky

Bargain Centers, Inc.

Nov. 20 (letter of notification) \$300,000 of 6% subordinated convertible debentures due Jan. 1, 1969 and 30,000 shares of common stock (par 10 cents) to be offered in units of \$100 of debentures and 10 shares of stock. Price-\$100 per unit. Proceeds-For equipping and decorating a new store and acquisition of real estate for a new warehouse and working capital. Officec/o Edward H. Altschull, President, 1027 Jefferson Circle, Martinsville, W. Va. Underwriter—Securities Trading Corp., Jersey City, N. J.

Bargain City, U. S. A., Inc.

Dec. 29 filed 5,000,000 shares of class A common stock. Price-\$3 per share. Proceeds-For expansion and acquisition or leasing of new sites. Office-2210 Walnut Street, Philadelphia, Pa. Underwriter-None.

Bellechasse Mining Corp. Ltd.

Oct. 29 filed 800,000 shares of common stock. Price-Related to the market price on the Canadian Stock Exchange, at the time the offering is made. Proceeds-To be applied over the balance of 1958 and the next three years as follows: for annual assessment work on the company's properties (other than mining claims in the Mt. Wright area in Quebec); for general prospecting costs; and for general administration expenses. Office—Mont-eal, Canada. Underwriters—Nicholas Modinos & Co. Washington, D. C.) in the United States and by Forget Forget in Canada.

Big Bromley, Inc., Manchester, Vt.

Dec. 9 filed 6,000 shares of common stock, \$300,000 of 5% debentures due April 1, 1979, and \$100,000 of 6% notes due April 1, 1980, the common stock and debentures to be offered in units of \$250 of debentures and five common shares. Price—Of units, \$500 each, and of notes, at par. Proceeds—For general corporate purposes. Business-A ski lift and school. Underwriter-None.

Blossman Hydratane Gas, Inc. (2/2-6)
Dec. 29 filed \$1,200,000 of 5% subordinated convertible debentures due Dec. 31, 1978 and 120,000 shares of common stock (par \$1) to be offered in units of \$500 of debentures and 50 shares of common stock. Price—To be supplied by amendment. Proceeds—To retire shortterm bank loans, and for working capital to be used for general corporate purposes. Business Sale and distribution of liquified petroleum gas. Office—Covington, La. Underwriters—S. D. Fuller & Co., New York and Howard, Weil, Labouisse, Friedrichs & Company, New Orleans, La.

• Borman Food Stores, Inc. (1/21)

Dec. 24 filed 404,900 shares of common stock (par \$1), of which 304,900 shares would be sold for account of stockholders and 100,000 shares for account of the company. Price-To be supplied by amendment. Proceeds -For general corporate purposes. Underwriter-Shields & Co., New York.

Boston Garden-Arena Corp.

Nov. 24 (letter of notification) 2,150 shares of common stock (par \$1). Price-At-the-market (estimated at \$23 per share). Proceeds - To go to selling stockholders. Office-North Station, Boston 14, Mass. Underwriter-Weston W. Adams & Co., Boston, Mass.

Bowmar Instrument Corp.

Dec. 30 (letter of notification) \$300,000 principal amount of 5-year 6% notes with stock purchase warrants attached. The warrant grants the right to purchase common stock of the company at the rate of 30 shares for each \$1,000 principal amount of notes at the price of \$7.50 per share. Price—At par. Proceeds — To reduce current short-term indebtedness and for working capital. \* INDICATES ADDITIONS SINCE PREVIOUS ISSUE Volu

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Office — Bluffton Rd., Fort Wayne, Ind. I'nderwriter— Fulton Reid & Co., Inc., Cleveland, Ohio.

Bridgehampton Road Races Corp.
Oct. 23 (letter of notification) 15,000 shares of common stock (par \$1) to be offered for subscription by stockholders of record Nov. 1, 1958 on the basis of one new share for each four shares held; unsubscribed share will be offered to current creditors in payment of all or part of claims, at the rate of one share for each \$4 of claims discharged; rights to expire about two weeks after mailing of offer. Price—\$4 per share. Proceeds—To pay current creditors. Address — P. O. Box-506, Bridgehampton, L. I., N. Y. Underwriter—None.

Brockridge Development Corp.

Dec. 19 (letter of notification) \$200,000 of 6% 15-year convertible debentures. Price—At par (\$500 per unit). Proceeds—For expansion and working capital. Office—901 Seneca Ave., Brooklyn 27, N. Y. Underwriter — Sano & Co., 15 William St., New York, N. Y.

• Carraco Oil Co., Ada, Okla. (1/22)
Nov. 10 (letter of notification) 200,000 shares of common stock. Price—\$1.50 per share. Proceeds — For general corporate purposes. Underwriter — Berry & Co., New

Cemex of Arizona, Inc.

Nov. 17 (letter of notification) 300,000 shares of common stock (par 25 cents). Price—\$1 per share. Proceeds— For working capital. Address—P. O. Box 1849, 3720 E. 32nd Street, Yuma, Ariz. Underwriter—L. A. Huey Co., Denver, Colo.

Central Hudson Gas & Electric Corp. (1/26-27) Jan. 2 filed 350,000 shares of common stock. Price—To be supplied by amendment. Proceeds-For construction program. Underwriter. - Kidder, Peabody & Co., New

Central Illinois Public Service Co. (1/27) Dec. 31 filed \$12,000,000 first mortgage bonds, series H, due Jan. 1, 1989. Proceeds-For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp.

be received up to 10:30 a.m. (CST) on Jan. 27. \* Century Food Markets Co.

Jan. 9 filed 118,112 shares of common stock (par \$1) to be offered for subscription by holders of common stock at the rate of one new share for each five shares held. Price-\$5 per share. Proceeds-To discharge bank loan and to replenish working capital. Underwriter—Janney Dulles & Battles, Inc., Philadelphia, Pa.

(jointly); Salomon Bros. & Hutzler. Bids-Expected to

Champion Paper & Fibre Co.

Dec. 19 filed \$20,036,400 of 4½% convertible subordinate debentures due Jan. 15, 1984, being offered for subscription by common stockholders of record Jan. 14, 1959 at the rate of \$100 of debentures for each 22 shares then held; rights to expire on Jan. 29, 1959. Price—At 100% of principal amount. Proceeds — To repay outstanding bank loans and for general corporate purposes, including additional working capital and future capital expenditures. Underwriter—Goldman, Sachs & Co., New

Chemical Fire & Casualty Insurance Co.

Nov. 24 filed 210,000 shares of class "A" voting common stock and 210,000 warrants to subscribe to a like number of shares of class "B" non-voting common stock. Pur-chasers of the class "A" shares will receive with each share purchased a warrant granting the right to purchase for \$10 per share one shares of class "B" stock for a period of 18 months after the company receives permission to write insurance. Price—\$10 per share. Proceeds—For working capital. Office—2807 Sterick Bldg., Memphis, Tenn. Underwriter-None. Statement effective Jan.

★ City Lands, Inc., New York
Jan. 13 filed 100,000 shares of capital stock. Price—\$20 per share. Underwriter-Model, Roland & Stone, New

\* Civic Finance Corp.

Jan. 2 (letter of notification) 6,000 shares of common stock (par \$4) to be offered for subscription by holders of stock purchase warrants attached to the 5½% capital notes, series A. Price - \$15 per share. Proceeds - For working capital. Office-633 N. Water Street, Milwaukee, Wis. Underwriter-None.

Aug. 21 (letter of notification) 300,000 shares of common stock (par one cent). Price-\$1 per share. Proceeds-To pay additional costs of construction; and for retirement of obligations and working capital. Office — c/o John Harlan Lowell, 2200 Kenton, Aurora, Colo. Underwriter -Lowell. Murphy & Co., Inc., Denver, Colo.

Combustion Engineering, Inc.

Dec. 19 filed 64,011 shares of capital stock to be offered in exchange for 81,002 shares of the outstanding common stock and for 2,131 shares of the outstanding \$100 par preferred stock of General Nuclear Engineering Corp., at the rate of seven shares and 3.4302 shares of Combustion Engineering stock for each 10 shares of common stock and each share of preferred stock, respectively, of General Nuclear Engineering (of Dunedin, Fla.).

Commerce Oil Refining Corp.

Dec. 16, 1957 filed \$25,000,000 of first mortgage bonds due Sept. 1, 1968, \$20,000,000 of subordinated debentures due.
Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: \$1,000 of bonds and 48 shares of stock and \$100 of debentures and many stock.

The supplied by small proceeds. Price—To be supplied by americanent. Proceeds — To construct refinery. Underwriter—Lehman Brothers, New York. Offering—Indefinite.

#### Commercial Investors Corp.

on

Nov. 28 (letter of notification) 900,000 shares of common stock. Price—At par (10 cents per share). Proceeds—For investment. Office—450 So. Main St., Salt Lake City, Utah. Underwriter—Earl J. Knudson & Co., Salt Lake City, Utah.

#### Consolidated Edison Co. of New York, Inc. (1/27)

Dec. 23 filed a maximum of \$59,778,800 of convertible debentures due Aug. 15, 1973, to be offered for subscription by common stockholders at the rate of \$100 principal amount of debentures for each 25 shares of stock held of record on Jan. 26, 1959; rights to expire on Feb. 13. Price—100% (flat). Proceeds—To repay short-term bank notes, and for additions to utility plant. Underwriters—Morgan Stanley & Co. and The First Boston Corp. both of New York ton Corp., both of New York.

Consumers Cooperative Association, Kansas City, Mo. Oct. 29 filed \$6,000,000 of 5½% 25-year subordinated certificates of indebtedness, and 60,000 shares of 51/2% preferred stock (cumulative to extent earned before patronage refunds). Price—For certificates at \$100 per unit; and the preferred stock at \$25 per share. Proceeds—For retirement of maturing certificates of indebtedness, redemptions on request of certificates of indebtedness prior to maturity and of 5½% preferred stock; the possible improvement and expansion of present facilities; and the acquisition of manufacturing plants and crude oil properties if favorable opportunities therefore arise. Underwriter—None.

Counselors Research Fund, Inc., St. Louis, Me. Feb. 5, 1958, filed 100,000 shares of capital stock, (par one cent). Price—At market. Proceeds—For investment. Underwriter — Counselors Research Sales Corp., St. Louis. Robert H. Green is President.

Cryogenic Engineering Co. Sept. 22 (letter of notification) 150,000 shares of class A common stock (par 10 cents). Price—\$2 per share. Proceeds — For repayment of loan; purchase of plant and office equipment; raw materials and supplies; and for working capital, etc. Office—U. W. National Bank Bldg., 1740 Broadway, Denver, Colo. Underwriter—L. A. Huey. Denver, Colo.

(Bids 11:30 a.m. EST) \$12,000,000

Central Illinois Public Service Co..

Dec. 31 (letter of notification) 1,600 shares of class A common stock (no par) and 6,400 shares of class B common stock (no par) to be offered in units of one share of class A and four shares of class B stock. Price—\$125 per unit. Proceeds—For working capital. Office—3301 Martindale Avenue, Indianapolis, Ind. Underwriter—None writer-None.

Derson Mines Ltd.
June 5 filed 350,000 shares of common stock. Price per share. Proceeds—For new equipment, repayment loan, acquisition of properties under option, and ott corporate purposes. Office—Toronto, Canada, and Eporium, Pa. Underwriter—None.

Diversified Inc., Amarillo, Texas

Jan. 6 filed 300,000 shares of common stock (par 50 cents). Price—\$3 per share. Proceeds—For acquisition of undeveloped real estate, for organization or acquisition of consumer finance business, and balance to be used for working capital. Underwriter — Investment Service Co., Denver, Colo., on a best efforts basis.

Edgcomb Steel of New England, Inc.

Dec. 5 (letter of notification) 30,000 shares of class A common stock (par \$5). Price -\$10 per share. Proceeds

-To pay off current notes payable to bank and to increase working capital. Office -950 Bridgeport Ave.,

Milford Conn. Underwriter None Milford, Conn. Underwriter-None.

★ Electro-Voice, Inc., Buchanan, Mich. Jan. 13 filed 150,000 shares of capital stock, of which 75,000 shares will be offered for the account of selling stockholders. Price — To be supplied by amendment. Proceeds — For working capital. Underwriter — F. S. Moseley & Co., Boston, Mass.

★ Erie Forge & Steel Corp.
Jan. 9 filed 237,918 shares of common stock, to be of-

fered for subscription by common stockholders at the rate of one new share for each four shares held. Price—To be supplied by amendment. Proceeds—To complete modernization and expansion program and for working capital. Underwriters—Lee Higginson Corp., and P. W. Brooks & Co., Inc., both of New York City.

Ethodont Laboratories, Berkeley, Calif.
Feb. 20, 1958, filed 300,000 shares of common stock. Price -At par (\$5 per share). Proceeds-To cover operating expense during the development period of the corpora-tion. Underwriter—None.

• Federated Corp. of Delaware
Dec. 29 filed \$918,000 of 6% convertible subordinated debentures due 1968. The company proposes to offer \$210,000 of the debentures to purchase the capital stock of Consumers Time Credit, Inc., a New York company; \$442,000 of the debentures in exchange for Consumers debentures; and \$226,000 of the debentures in exchange for the outstanding 12% debentures of three subsidiaries of Federated. Office—1 South Main Street, Port Chester,

N. Y. Underwriter-None. Federated Finance Co. Nov. 17 (letter of notification) \$300,000 of 10-year 6% senior subordinated debentures. Price—At par (in denominations of \$1,000 each). Proceeds — For working capital, to make loans, etc. Office—2104 "O" St., Lincoln, Neb. Underwriters — J. Cliff Rahel & Co. and Eugene C. Dinsmore, Omaha, Neb.

\* Fidelity Capital Fund, Inc., Boston, Mass. (2/9)
Jan. 12 filed 1,000,000 shares of capital stock, Price—\$12
per share. Proceeds — For investment. Distributers—
Hornblower & Weeks, Chicago, Ill., and The Crosby Corp., Boston, Mass.

Finance For Industry, Inc. Dec. 16 filed 200,000 shares of class A common stock. Price—At par (\$1.50 per share). Proceeds—For working capital. Office—508 Ainsley Bldg., Miami, Fla. Underwriter — R. F. Campeau Co., Penobscot Bldg., Detroit,

Florida Builders, Inc.

Dec. 1 filed \$4,000,000 of 6% 15-year sinking fund subordinated debentures and 40,000 shares of common stock,
to be offered in units of \$100 principal amount of debentures and one share of common stock. Price — \$110 per unit. Proceeds—For purchase and development of sub-division land, including shopping site; for new equipment and project site facilities; for financing expansion program; and for liquidation of bank loans and other corporate purposes. Office-700 43rd St., South, St. Petersburg, Fla. Underwriter-None.

• Florida Public Utilities Co. (1/26-30) Jan. 7 filed 32,500 shares of cumulative convertible preferred stock (par \$20). Price — To be supplied by amendment. Proceeds—To finance part of company's construction program. Underwriters—White, Weld & Co., Starkweather & Co., both of New York; and Clement A. Evans & Co., Inc., Atlanta, Ga.

Fluorspar Corp. of America stock (par 25 cents). Price—\$2.25 per share. Proceeds—For mining expenses. Office—4334 S. E. 74th Ave., Portland 6, Ore. Underwriter — Ross Securities Inc., New York, N. Y. Oct. 14 (letter of notification) 133,333 shares of common

Fort Pierce Port & Terminal Co. Nov. 25 filed 2,138,500 shares of common stock (par \$1). Price-\$1.25 per share. Proceeds-To pay short-term loans and for completing company's Port Development Plan and rest added to general funds. Office — For' Pierce, Fla. Underwriter—Frank B. Bateman, Ltd., Palm Beach, Fla.

\* Foundation Investment Corp., Atlanta, Ga. Jan. 13 filed 231,988 shares of common stock to be offered for subscription by stockholders; unsold portion Continued on page 132

## **NEW ISSUE CALENDAR**

	January 16 (Friday)
	Hilton Credit CorpCommon (Offering to stockholders—underwritten by Carl M. Loeb, Rhoades & Co.) 1,927,383 shares
	Israel Investors Corp. Common (No underwriter) \$4,626,000 - F
	Vita Food Products, Inc. Common (Granberry, Marache & Co.) 12,000 shares
	January 19 (Monday)
	Gulf States Utilities CoBonds
	Industro Transistor Corp. Common (S. D. Fuller & Co.) 150,000 shares
	Seiberling Rubber Co.  Common  (Offering to stockholders—to be underwritten by Eastman  Dillon, Union Securities & Co.) 106,841 shares
1	Spur Oil Co
	January 20 (Tuesday)
	January 20 (Tuesday)  Kaman Aircraft Corp. Debentures (Paine, Webber, Jackson & Curtis) \$1,250,000  Rockland Atlan National Replication Common
	Rockland-Atlas National Bank of Boston Common (Offering to stockholders—underwritten by The First Boston Corp., 40,000 shares
1	Southern California Edison CoCommon (The First Boston Corp. and Dean Witter & Co.) 500,000 shares
	Southern Natural Gas Co
	January 21 (Wednesday)
	Borman Food Stores, Inc
	Chicago, Milwaukee, St. Paul & Pacific RR.  Equipment Trust Ctfs.
	Indiana & Michigan Electric Co. Bonds (Bids 11 a.m. EST) \$20,000;000
	Pacific Automation Products, IncCommon (William R. Staats & Co.) 60,000 shares
	Technology Instrument CorpCommon (Shearson, Hammill & Co.) 130,000 shares
	January 22 (Thursday)
	Carraco Oil Co Common
	(Berry & Co.) \$300,000
4	(Berry & Co.) \$300,000  Heliogen Products, IncCommon (Albion Securities Co.) \$144,000
	Jet-Aer Corp. (No underwriter) \$100,000
	Rohr Aircraft Corp. Common (The First Boston Corp. and Lester, Ryens & Co.) 300,000 shares
	Ryder System, Inc. Common Blyth & Co., Inc., 150,000 shares
	January 23 (Friday)
	Home Owners Life Insurance CoCommon Offering to stockholders—underwritten by H. Hentz & Co.)
	Mobile Gas Service Corp.  Common (Offering to stockholders—underwriten by The First Boston Corp. and Robinson, Humphrey & Co.) 33,000 shares  National State Bank  Common
	National State Bank Common (Offering to stockholders—underwritten by Clark, Dodge & Co.)
	Arnold Altex Aluminum Co
	Central Hudson Gas & Electric CorpCommon (Kidder, Peabody & Co.) 350,000 shares
	Florida Public Utilities Co. Preferred (Waite, Weld & Co.; Starkweather & Co.; and Clement A. Evans & Co., Inc.) 8650,000
d	Holiday Inns of America, Inc
	Transcentinental Gas Pine Line Corn Rands

Transcontinental Gas Pipe Line Corp.......
tWhite, Weld & Co and Stone & Webster
Securities Corp. )\$35,000,000

Wen Wood Organizations, Inc.
(Michael G. Kletz & Co., Inc.) \$300,000

January 27 (Tuesday) Avco Manufacturing Corp.

Debentures

(Offering to stockholdens-underwritten by Lehman Brothers
and Emanuel, Deetjen & Co.) \$15,000,000

Common

Consolidated Edison Co. of New York, IncDebs.  (Offering to stockholders—to be underwritten by Morgan Stanley & Co. and The First Boston Corp.) \$59,778,000
January 28 (Wednesday)
Inland Steel CoBonds (Kuhn, Loeb & Co.) \$56,000,000
Northwest Natural Gas CoBonds
February 2 (Monday)
Blossman Hydratane Gas, IncDebens. & Com. (S. D. Fuller & Co. and Howard Weil, Labouisse, Friedrichs & Co.) \$1,200,000 debentures and 120,000 common shares
Connecticut Light & Power Co
February 3 (Tuesday)
Universal Oil Processes, Inc. Common (Lenman Brothers; Smith, Barney & Co.; and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 2,900,000 shares
February 4 (Wednesday)
Southern CoCommon (Bids 11:30 a.m. EST) 1,350.000 shares
February 9 (Monday)
Fidelity Capital Fund, Inc
Investors Research Fund, IncCommon (Bache & Co.) \$5,891,280
February 12 (Thursday)
Government Employees Variable Annuity
Life Insurance Co
February 17 (Tuesday)
Public Service Co. of Indiana, IncBonds (Bids to be invited) \$25,000,000
February 25 (Wednesday)
Illinois Bell Telephone CoBonds (Bids to be invited) \$50,000,000
March 3 (Tuesday) Pacific Power & Light Co
(Bids to be invited)  April 2 (Thursday)
Gulf Power Co
(Bids to be invited) \$7,000,000
April 15 (Wednesday)
Wisconsin Power & Light CoBonds
April 30 (Thursday)
Alabama Power CoBonds
May 28 (Thursday)
Southern Electric Generating CoBonds (Bids to be invited) \$25,000,000
June 2 (Tuesday)
Virginia Electric & Power CoCommon (Bids to be received) \$20,000,000 to \$25,000,000
June 25 (Thursday)
Mississippi Power CoBonds (Bids to be invited) \$5,000,000
September 10 (Thursday)
Georgia Power CoBonds
ay
Postponed Financing
Montana Power CoBonds
(Bids to be invited) \$20,000,000
Pennsylvania Power CoBends

to be offered publicly. Price-\$12.50 per share. Proceeds -To repay notes. Underwriter-None.

★ Franklin Custodian Funds, Inc., New York
Jan. 8 filed (by amendment) an additional 200,000 of
Special Series Shares. Price—At market. Proceeds—For investment.

Gas Light Co. of Columbus

Dec. 30 (letter of notification) 15,000 shares of common stock (par \$4). Price — \$19 per share. Proceeds—For working capital. Office — 107 13th St., Columbus, Ga. Underwriter-None.

General Alloys Co.

Nov. 17 (letter of notification) 45,250 shares of common stock (par \$1) of which 16,900 shares are to be offered to employees and the remainder to the public. Price-To employees, \$1.1805 per share. Proceeds-To purchase and install machinery and equipment. Office—367-405
West First St., Boston, Mass. Underwriter—William S.
Prescott & Co., Boston, Mass.

General Aniline & Film Corp., New York

Jan. 14, 1957 filed 426,988 shares of common A stock (ne par) and 1,537,500 shares of common B stock (par \$1) Proceeds—To the Attorney General of the United States Underwriter—To be determined by competitive bidding Probable bidders: Blyth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co.; Lehman Brothers, and Glore, Forgan & Co. (jointly). Bids—Had been scheduled to be received up to 3:45 p.m. (EDT) on May 13 at Room 654, 101 Indiana Ave., N. W., Washington 25. D. C., but hidding has been received. ton 25, D. C., but bidding has been postponed.

 Government Employees Variable Annuity Life Insurance Co. (2/12)

Nov. 13 filed 2,500,000 shares of common stock (par \$1) to be offered by company on or about Feb. 12, 1959, viz: (1) to holders of common stock (par \$4) of Government Employees Insurance Co., on the basis of one warrant per share of stock held on Jan. 30, 1959 (1,334,570 shares are now outstanding); (2) to holders of common stock (par \$1.50) of Government Employees Life Insurance Co., on the basis of 1½ warrants per share of stock held on Jan. 30, 1959 (216,429 shares are now outstanding); and (3) to holders of common stock (par \$5) of Government Employees Corp., on the basis of ½ warrant per share of stock held on Jan. 30, 1959 (as of Sept. 30, 1958 there were 143,127 shares of stock outstanding and \$614,360 of 5% convertible capital debentures due 1967, convertible into chares of common at \$28.0374 per share. If all these debentures were converted into common stock prior to the record date, a total of 164,724 common shares would be outstanding. Warrants will expire on Feb. 27, 1959. **Price**—\$3 per share. **Proceeds**—For capital and surplus. Office — Government Employees Insurance Building, Washington, D. C. Underwriters — Johnston, Lemon & Co., Washington, D. C.; Eastman Dillon, Union Securities & Co., New York; and Abacus Fund, Boston, Mass.

Grain Elevator Warehouse Co. Nov. 3 filed 100,000 outstanding shares of common stock (par 10 cents). National Alfalfa Dehydrating & Milling Co., holder of the 100,000 common shares, proposes to offer to its stockholders preferential warrants to subscribe to 98,750 shares of Grain Elevator stock on the basis of one warrant to purchase one-eighth share of Grain Elevator stock for each share of National Alfalfa common held on Nov. 17, 1958; rights to expire Dec. 31.

Price—\$2 per share. Proceeds—To selling stockholder.

Office—927 Market Street, Wilmington, Del. Under-

writer-None. • Grand Union Co.

Oct. 29 filed 187,534 shares of common stock (par \$5) being offered in exchange for outstanding common stock of Sunrise Supermarkets Corp. at the rate of one share of Grand Union stock for each 2.409 shares of Sunrise stock. The offer was declared effective as of Dec. 31, 1958, and has been extended.

Great American Publications, Inc.

Dec. 15 (letter of notification) 130,000 shares of common stock (par 10 cents), of which 30,000 shares will be offered for 30 days to the company's employees, and discourse wholesalars are declared to the same and the to the company's news dealers, wholesalers and dis-tributors and their employees at \$1.65 per share; and 100,000 shares will be offered to general public at \$2 per share. Proceeds-To satisfy creditors' claims and for general corporate purposes. Office-41 E. 42nd St., New York 17, N. Y. Underwriter-Mortimer B. Burnside & Co., Inc., New York 5, N. Y.

Guaranty Life Insurance Co. of America

Nov. 14 filed 88,740 shares of class A common capital stock (par \$1.80). Price-\$5.35 per share. Proceeds-To increase capital and surplus. Office-815 15th Street, N. W., Washington, D. C. Underwriter-None. Statement effective Dec. 19.

Gulf States Utilities Co. (1/19)

Dec. 11 filed \$10,000,000 of first mortgage bonds due 1989. Proceeds-To repay bank loans and for construction program. Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith and White Weld & Co. (jointly); Stone & Webster Securities Corp.; and Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). Bids-Expected to be received up to noon (EST) on Jan. 19 at The Hanover Bank, 70 Broadway, New York 15, N.Y.

Hamilton Oil & Gas Corp. Oct. 22 filed 1,000,000 shares of common stock (par 25 cents). Price-\$2 per share. Proceeds-To acquire funds to test drill, explore, and develop oil and gas properties Underwriter-None. [The registration includes an additional 588,000 common shares issuable upon exercise of 1,176,000 options rights previously offered (Oct. 19,

1957), which rights entitle the original purchaser thereof to purchase one-half share of stock at 50 cents per share at the expiration of 13 months after commencement of such offering.]

Heartland Development Corp.
Oct. 23 (letter of notification) 22,820 shares of nonvoting convertible preference stock (par \$12) to be offered for subscription by stockholders on the basis of one share of convertible preference stock for each 10 shares of common stock held on or about Nov. 1, 1958. Stockholders will have 45 days in which to exercise the rights. Price — At par. Proceeds — To repay debts, acquisition of investments, and for general purposes. Address—P. O. Box-348, Albany, N. Y. Under-

• Heliogen Products, Inc. (1/22-26)
Oct. 22 (letter of notification) 28,800 shares of common stock (par \$1). Price-\$5 per share. Proceeds-For payment of past due accounts and loans and general working capital. Office — 35-10 Astoria Blvd., L. I. C. 3, N. Y. Underwriter—Albion Securities Co., Suite 1512, 11 Broadway, New York 4, N. Y.

Highland Telephone Co. Dec. 29 (letter of notification) 2,250 shares of common stock (no par) to be offered for subscription by common stockholders. Price — \$45 per share. Proceeds — To repay bank loans and for construction of a new telephone plant. Office-145 North Main St., Monroe, N. Y. Underwriter-None.

Highway Trailer Industries, Inc. Nov. 24 filed 473,000 outstanding shares of common stock (par 25 cents). Price-At prices generally prevailing on the American Stock Exchange. Proceeds—To selling stockholders. Office—250 Park Avenue, N. Y.

Underwriter-None.

 Hilton Credit Corp., Beverly Hills, Calif. (1/16) Dec. 18 filed 1,927,383 shares of common stock (par \$1) to be offered for subscription by common stockholders of record Jan. 15 of Hilton Hotels Corp. at the rate of one share of Hilton Credit stock for each two shares of Hilton Hotels stock; rights to expire on Feb. 2. Price—\$3.25 per share. Proceeds — Together with bank loans, will comprise the operating funds of Hilton Credit and will be used for general corporate purposes and to finance the company's purchase of charge accounts from Hilton Hotels and other establishments who may agree to honor Carte Blanche cards. Underwriter - Carl M. Loeb, Rhoades & Co., New York.

Hinsdale Raceway, Inc., Hinsdale, N. H. Dec. 29 filed capital trust certificates evidencing 1,000,-000 shares of capital stock, and 2,000 debenture notes. Price—The common stock at par (\$1 per share) and the notes in units of \$500 each. **Proceeds**—For construction of a track, including land, grandstand, mutual plant building, stables and paddock, dining hall, service building, administrative building, penthouse, tote board and clubhouse. Underwriter-None.

Hoagland & Dodge Drilling Co., Inc. June 12 filed 27,000 shares of capital stock. Price-\$10 per share. Proceeds-To be used in part for the exploration of mines and development and operation of nines and in payment of indebtedness. Office-Tucson Ariz. Underwriter-None.

Holiday Inns of America, Inc. (1/26-30) Dec. 30 filed 35,298 shares of common stock, to be offered for subscription by common stockholders (other than the Board Chairman and President and their families) at the rate of one new share for each four shares held. Price-To be supplied by amendment. Proceeds-In addition to other funds, to be added to working capital and to complete the current portions of construction costs. Underwriter—Equitable Securities Corp., Nashville, Tenn.

★ Holiday Mines, Inc.
Dec. 31 (letter of notification) 30,000 shares of common stock. Price-At par (\$1 per share). Proceeds-For mining expenses. Office-c/o Edward Goldberg, President, 2093 N. Lake Way, Bremerton, Wash, Underwriter-

Home Owners Life Insurance Co. (1/23)

Dec. 19 filed 153,840 shares of common stock to be offered for subscription by stockholders (for a 14-day standby) on the basis of one additional share for each two shares held as of Jan. 23, 1959 (with a 15-day standby). Price-To be supplied by amendment. Proceeds-For working capital. Office - Fort Lauderdale, Fla. Underwriter-H. Hentz & Co., New York. Offering-Expected late in January.

Home-Stake Production Co., Tulsa, Okla. Nov. 5 filed 116,667 shares of common stock (par \$5). Price-\$6 per share. Proceeds-For working capital and general corporate purposes. Office — 2202 Philtower Bldg., Tulsa, Okla. Underwriter—None.

I. C. P. Israel Citrus Plantations Ltd. Dec. 23 filed 750,000 shares of common stock. Price-\$1 per share. Proceeds-To be used for new packing houses, for purchase of citrus groves and for the planting of new

groves. Office-Tel Aviv, Israel. Underwriters-None. Indiana & Michigan Electric Co. (1/21) Sept. 26 filed \$20,000,000 of first mortgage bonds due Nov. 1, 1988. Proceeds-To retire bank loans used for construction program. Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.: The First Boston Corp.; Harriman Ripley & Co. Inc. Bids-Expected to be received up to 11 a.m. (EST) on Jan. 21.

Industrial Minerals Corp., Washington, D. C. July 24 filed 600,000 shares of common stock (par one cent). Price-\$1 per share. Proceeds-To develop and operate graphite and mica properties in Alabama. Unserwriters-Dearborn & Co. and Carr-Rigdom & Co.,

both of Washington, D. C., on a best efforts basis. Statement effective Nov. 18.

Industro Transistor Corp. (N. Y.) (1/19-23) Feb. 28, 1958, filed 150,000 shares of common stock (par 10 cents): reduced to 135,000 shares by amendment sub quently filed. Price-To be related to the market price. Proceeds-For working capital and to enlarge res and development department. Underwriter-S. D. Fuller & Co., New York.

★ Inland Steel Co. (1/28)
Jan. 8 filed \$50,000,000 of first mortgage bonds, series L, due Feb. 1, 1989. Price—To be supplied by amendment. Proceeds—For working capital and capital expenditures. Underwriter-Kuhn, Loeb & Co., New York.

International Bank, Washington, D. C. Dec. 29 filed \$5,000,000 of notes (series B, \$500,000, twoyear, 3% per unit; series C, \$1,000,000, four-year 4% per unit; and series D, \$3,500,000, 6-year, 5% per unit). Price -100% of principal amount. Proceeds - For working capital. Underwriter-Johnston, Lemon & Co., Washington, D. C.

Investment Corp. of Florida Oct. 9 (letter of notification) 55,555 shares of common stock (par two cents). Price—\$4.50 per share. Proceeds -For capital account and paid-in surplus. Office-Atlantic Federal Building, 1750 E. Sunrise Boulevard, Ft. Lauderdale, Fla. Underwriter-None.

★ Investors Research Fund, Inc. (2/9) Jan. 9 filed 490,940 shares of common stock. Price-\$12 per share. Proceeds-For investment. Office-922 Laguna St., Santa Barbara, Calif. Investment Advisor—Investors Research Co., Santa Barbara, Calif. Underwriter -Bache & Co., New York.

• Israel Investors Corp. (1/16-19) Dec. 1 filed 46,260 shares of common stock. Price-\$100 per share. Proceeds-For investment. Office--19 Rector Street, New York, N. Y. Underwriter-None.

★ Israel (The State of)
Jan. 8 filed \$300,000,000 of second development bonds, part to consist of 15-year 4% dollar coupon bonds (to be issued in five series maturing serially from March 1, 1974 to March 1, 1978) and 10-year dollar savings bonds (each due 10 years from first day of the month in which issued). Price—100% of principal amount. Proceeds—For improvements, etc. Underwriter—Development Corp. for Israel, 215 Fourth Ave., New York City.

Nov. 28 (letter of notification) 200,000 shares of common stock (par 10 cents). Price-\$1 per share. Proceeds-To acquire machinery and equipment and additional space for test laboratories; and for working capital. Office—4 Manhasset Ave., Port Washington, L. I., N. Y. Underwriter — B. Fennekohl & Co., 205 East 85th St., New York, N. Y.

• Jet-Aer Corp., Paterson, N. J. (1/22) Dec. 5 (letter of notification) 10000 shares of class A common stock (par \$1.50). Price - \$10 per share. Proceeds-For purchase of modern automatic filling equipment and for marketing and advertising program. Office -85-18th Ave., Paterson, N. J. Underwriter-None.

Kaman Aircraft Corp., Bloomfield, Conn. (1/20) Dec. 15 filed \$1,250,000 of 6% convertible subordinated debentures due 1974. Price—To be supplied by amendment. Proceeds-For working capital. Underwriter-Paine, Webber, Jackson & Curtis, Boston, Mass.

Kimberly-Clark Corp. Dec. 30 filed 225,000 shares of common stock to be offered in exchange for the common stock of the American Envelope Co. of West Carrollton, Ohio, on the basis of three-quarters of a share of Kimberly stock for each share of American. The offer will expire on Feb. 27, 1959. The exchange is contingent on acceptance by all of the stockholders.

\* Knob Hill Finance Co. Jan. 7 (letter of notification) 1,500 shares of 6% cumulative preferred stock. Price—At par (\$100 per share).

Proceeds—For working capital. Office—2312 E. Bijou
St., Colorado Springs, Colo. Underwriter—None.

Laure Exploration Co., Inc., Arnett, Okla. Dec. 23 filed 400,000 shares of common stock. Price-\$2 per share. Proceeds-For machinery and equipment and exploration purposes. Underwriter-None.

Life Insurance Securities Corp. March 28, 1958, filed 1,000,000 shares of capital stock (par \$1). Price-\$5 per share. Proceeds-To acquire stock control of "young, aggressive and expanding life and other insurance companies and related companies and then to operate such companies as subsidiaries." Underwriter-First Maine Corp., Portland, Me.

Los Angeles Drug Co. Oct. 3 filed 50,000 shares of capital stock, to be offered for subscription by holders of outstanding stock, on a pro rata basis. Any shares not so sold will be offered on an exchange basis to holders of outstanding 5% sinking fund debentures. Price-\$10.50 per share to stockholders: \$11.50 to public. Proceeds \$328,300 to redeem outstanding 5% sinking fund debentures and \$189,200 to reduce short term bank loans. Office-Los Angeles, Calif. Underwriter-Quincy Cass Associates, Los Angeles, Calif.

LuHoc Mining Corp. Sept. 29 filed 350,000 shares of common stock. Price-\$1 per share. Proceeds - For the acquisition of properties under option and for various geological expenses, test drilling, purchase of equipment, and other similar purposes. Offices-Wilmington, Del., and Emporium, Pa. Underwriter-None.

M. C. A. Credit Co., Inc., Miami, Fla. Oct. 6 filed 100,000 shares of common stock. Price-\$5 per share. Proceeds-To reduce current indebtedness to str ica ad rai Ja to me

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Walter E. Heller & Co. Underwriter—Plymouth Bond & Share Corp., Miami, Fla.

Maireo, Inc.

Jan. 6 (letter of notification) 600 shares of common stock to be offered for subscription by stockholders of record Jan. 10, 1959 on the basis of one share of additional common stock for each five shares held; rights to expire on Jan. 30, 1959. Price—At par (\$100 per share).

Proceeds—For inventory and working capital. Office—1026 N. Main Street, Goshen, Ind. Underwriter—None.

Manmoth Mountain Inn Corp.

Dec. 10 (letter of notification) 70,000 shares of common stock (par \$5). Price—\$5.50 per share. Proceeds—To be used to build and operate and all-year resort hotel. Office—Suite 204, 8907 Wilshire Blvd., Beverly Hills, Calif. Underwriter—None. Letter to be amended.

\* Massachusetts Investors Growth Stock

Fund, Inc.

Jan. 12 filed 5,000,000 shares of capital stock. Price—At market. Proceeds—For investment.

Merchants Petroleum Co.
Oct. 8 (letter of notification) 159,395 shares of common stock (par 25 cents) being offered for subscription by stockholders of record Nov. 24, 1958 on the basis of one new share for each five shares held; rights to expire Jan. 15, 1959 (with an oversubscription privilege). Price—\$1.40 per share. Proceeds — To reduce bank loan; to increase working capital and for general corporate purposes. Office—617 W. 7th Street, Los Angeles, Calif. Underwriter—None.

\* Metropolitan Mines Corp., Ltd., Wallace, Idaho Dec. 29 (letter of notification) 250,000 shares of class A common stock. Price—At par (10 cents per share). Proceeds—For mining expenses. Underwriter—None.

Dec. 29 (letter of notification) 13,500 shares of common stock (no par). Price—At the market (Midwest Stock Exchange). Proceeds—To selling stockholders. Office—310 Russell St., St. Louis, Mo. Underwriter—Smith Moore & Co., St. Louis, Mo.

Mid-Atlantic Marina, Inc., Baltimore, Md.
Oct. 28 (letter of notification) 60,000 shares of 7% preferred stock (par \$3.50). Price—\$5 per share. Proceeds—For construction of a marina. Office — Room 104, Old Town Bank Bldg., Baltimore 2, Md. Underwriter—Maryland Securities Co., Baltimore, Md.

• Military Publishing Institute, Inc.

Dec. 9 (letter of notification) 125,000 shares of common stock (par 5 cents). Price—\$2 per share. Proceeds—For general corporate purposes and working capital.

Office—55 West 42nd Street, New York 36, N. Y. Underwriter—C. H. Abraham & Co., Inc., 565 Fifth Ave., New York 17, N. Y. Offering—Expected in latter part of January or early in February.

Millsap Oil & Gas Co.

Dec. 23 filed 602,786 shares of common stock. Price—\$1
per share. Proceeds — For additional working capital.

Office—Siloam Springs, Ark. Underwriter—None.

Mississippi Chemical Corp., Yazoo City, Miss. Dec. 24 filed 200,000 shares of common stock (par \$5) and 8,000 shares of special common stock (par \$75). Price—For common stock, \$8.75 per share; for special common stock, \$131.25 per share. Proceeds—For construction program, to purchase shares of Coastal Chemical Corp. (a subsidiary), and the balance will be added to surplus. Underwriter—None.

Mobile Gas Service Corp. (1/23)

Dec. 30 filed 33,000 shares of common stock (par \$5) to be offered for subscription by common stockholders at the rate of one new share for each 10 shares held of record Jan. 21, 1959 (with an oversubscription privilege); rights to expire Feb. 9, 1959. Price—To be supplied by amendment. Proceeds—To reduce short-term bank loans incurred for the extension and improvement of gas distribution system. Underwriters—The First Boston Corp., New York, and The Robinson-Humphrey Co., Inc.,

Atlanta, Ga

Montana Power Co.

July 1 filed \$20,000,000 of first mortgage bonds due 1988.

Proceeds — Together with other funds, to be used to repay \$15,500,000 in bank loans and to carry on the company's construction program through 1959. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Kidder Peabody & Co., Smith, Barney & Co. and Blyth & Co., Inc. (jointly). Bids—Had been expected to be received up to noon (EDT) on Aug. 26 at Room 2033, Two Rector St., New York, N. Y., but company on Aug. 22 again decided to defer sale pending improvement in market conditions.

Montana Power Co.

July 1 filed 100,000 shares of common stock (no par).

The stock will be offered only to bona fide residents of Montana. Price—To be related to the current market price on the New York Stock Exchange. Proceeds—Together with other funds, to carry on the company's construction program through 1959. Manager-Dealers—Smith, Barney & Co., Kidder, Peabody & Co. and Blyth & Co., Inc.

A Mutual Service Cooperative

Jan. 2 (letter of notification) 396 shares of common stock. Price—At par (\$10 per share). Proceeds — For working capital. Office—1919 University Ave., St. Paul, Minn. Underwriter—None.

National Theatres, Inc., Los Angeles, Calif.
Dec. 30 filed \$20,000,000 5½ % sinking fund subordinated debentures due March 1, 1974 and 485,550 common stock purchase warrants to purchase 121,387 shares of \$1 par

common stock to be offered in exchange for National Telefilm Associates, Inc. common stock at the rate of \$11 of debentures and one warrant to purchase one-quarter of a share of National Theatres, Inc. stock for each NTA share. Dealer-Managers—Cruttenden, Podesta & Co., Cantor, Fitzgerald & Co., Inc. and Westheimer & Co.

Naylor Engineering & Research Corp.

Sept. 29 (letter of notification) 300,000 shares of cumulative voting and non-assessable common stock. Price—At par (\$1 per share). Proceeds—For organizational expenses and first three months' operational expenses. Office—1250 Wilshire Blvd., Los Angeles 17, Calif. Underwriter—Waldron & Co., San Francisco 4, Calif.

May 5 (letter of notification) 150,000 shares of common stock (par one cent). Price—\$2 per share. Proceeds—To pay loan; to acquire fishing tools for leasing; and for working capital. Office—931 San Jacinto Bldg., Houston, Tex. Underwriter—T. J. Campbell Investment Co., Inc., Houston, Tex.

A Nekcosa-Edwards Paper Co.

Jan. 6 (letter of notification) 6,521 shares of class A common stock (par \$10) and 6,521 shares of class B common stock (par \$10) to be offered to employees in units of one share of each class of stock. Price—At the nearest quarter of a point above 95% of the market price at the date of grant of option (which ranges from \$44.25 to \$38.25 per share). Proceeds—For general corporate purposes. Office—c/o John E. Alexander, President, 311 Wisconsin River Drive, Port Edwards, Wis. Underwriter—None.

★ Nelly Don, Inc.
Jan. 9 filed 52,600 outstanding shares of common stock.
Price — To be supplied by amendment. Proceeds — To selling stockholders. Office — 3500 E. 17th Street, Kansas City, Mo. Underwriters—Stern Brothers & Co. and Barret, Fitch, North & Co., Inc., both of Kansas City, Mo.

New Jersey Investing Fund, Inc., New York
Dec. 9 filed 200,000 shares of capital stock. Price—At
market. Proceeds—For investment, Investment Adviser
and Distributor—Spear, Leeds & Kellogg, New York.

Northern Insurance Co. of New York

Dec. 5 filed 145,200 additional shares of capital stock
(par \$12,50) being offered for subscription by stockholders of record Dec. 23, 1958, at the rate of one new share
for each two shares then held; rights to expire on Jan.
19. Price—\$36 per share. Proceeds—To increase
capital and surplus. Underwriters—The First Boston
Corp. and Wood, Struthers & Co., both of New York.

• Northwest Natural Gas Co. (1/28)
Jan. 7 filed \$7,000,000 of first mortgage bonds due Feb.
1, 1984. Price—To be supplied by amendment. Proceeds
—To be used for partial payment of bank loans. Underwriter—Lehman Brothers, New York.

★ Nucleonics, Chemistry & Electronics Shares, Inc. Jan. 12 filed (by amendment) an additional \$3,000,000 monthly investment plans with and without insurance and single investment plans. Office—Englewood, N. J.

Nylonet Corp.

Nov. 24 (letter of notification) 600,000 shares of common stock (par 10 cents). Price—50 cents per share. Proceeds—For working capital. Office—20th Ave., N. W. 75th St., Miami, Fla. Underwriter—Cosby & Co., Clearwater, Fla.

Osk Ridge, Inc.
Sept. 4 (letter of notification) 100,000 shares of common stock (par \$1). Price — \$3 per share. Proceeds — For working capital. Office—11 Flamingo Plaza, Hialeah, Fla. Underwriter — Henry & Associates, Inc., 11 Flamingo Plaza, Hialeah, Fla.

O. K. Rubber Welders, Inc.

Dec. 15 filed 60,600 shares of common stock, \$43,333.33 of 31/4% debentures maturing on or before May 6, 1965, \$692,000 of 6% debentures maturing on or before Dec. 31, 1974 and \$123,000 of 7% debentures due on or before May 6, 1965. The company proposes to make a public offering of 25,000 shares of common stock at \$10 per share. The remaining shares and the debentures are subject to an exchange offer between this corporation O. K. Rubber, Inc., and O. K. Ko-op Rubber Welding System, on an alternative basis. Proceeds—Of the public offering, will be used for additional working capital and/or to service part of the company's debt. Office—551 Rio Grande Ave., Littleton, Colo. Underwriter—None.

Odlin Industries, Inc.

Nov. 12 filed \$250,000 of 5½% convertible debentures and 250,000 shares of common stock (par 10 cents). Price—Debentures at 100% and stock at \$3 per share. Proceeds—To purchase a textile mill, machinery, equipment and raw materials, and to provide working capital. Office—375 Park Ave., New York, N. Y. Underwriter—Harris Securities Corp., New York, N. Y., on a best efforts basis.

Oil, Gas & Minerals, Inc.

Nov. 16 (letter of notification) 116,000 shares of common stock (par 35 cents). Price—\$1 per share. Proceeds—For development of oil and gas properties. Office—513 International Trade Mart, New Orleans 12, La. Underwriter—Assets Investment Co., Inc., New Orleans, La.

Oppenheimer Fund, Inc.

Dec. 5 filed 100,000 shares of capital stock. Price—At market (about \$10 per share). Proceeds—For investment. Office—25 Broad St., New York. Underwriter—Oppenheimer & Co., New York. Offering—Expected sometime in February.

Pacific Automation Products, Inc. (1/21)
 Dec. 31 filed 60,000 shares of capital stock (par \$1). Price
 To be supplied by amendment. Proceeds—To selling stockholders. Underwriter—William R. Staats & Co., Los Angeles, Calif.

Jan. 2 filed 300,000 shares of capital stock. Price—Minimum purchase of shares is \$2,500. Proceeds—For investment. Office—404 North Roxbury Drive, Beverly Hills. Calif. Underwriter—Paramount Mutual Fund Manage—

Calif. Underwriter—Paramount Mutual Fund Management. Co.

Peckman Plan Fund. Inc., Pasadena. Calif.

Peckman Plan Fund, Inc., Pasadena, Calif.
May 19 filed 20,000 shares of common stock (par \$1).
Price—At market. Proceeds—For investment. Underwriter—Investors Investments Corp., Pasadena, Calif.

Aug. 1 filed \$3,000,000 of first mortgage bonds due 1982. Proceeds—To redeem a like amount of 5% first mortgage bonds due 1987. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuary & Co. Inc.; Kidder, Peabody & Co.; White Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers, Eastman Dillon, Union Securities & Co., Salomon Bros. & Hutzler and Ladenburg, Thalmana & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Dean Witter & Co. (jointly). Bids — Tentatively had been expected to be received up to 11 a.m. (EDT) on Aug. 27 but company on Aug. 22 decided to defersale pending improvement in market conditions.

Pennsylvania Power & Light Co.

Dec. 17 filed 295,841 shares of common stock (no par) being offered by the company for subscription by its common stockholders of record Jan. 6, 1959, at the rate of one new share for each 20 shares then held; rights to expire on Jan. 26. Employees will be given a contingent subscription privilege. Price—\$50 per share. Proceeds—To be added to the general funds of the company and used for general corporate purposes. Underwriters—The First Boston Corp., New York, and Drexel & Co., Philadelphia, Pa.

Pioneer Trading Corp., Bayonne, N. J.
Nov. 10 filed 10,000 shares of \$8 cumulative preferred stock, series A (par \$100) and \$1,000,000 of 8% subordinated debentures, series A, due Dec. 1, 1968 to be offered in units of a \$500 debenture and five shares of preferred stock. Price—\$1,000 per unit. Proceeds — For general corporate purposes. Underwriter—None.

Plastic Applicators, Inc.

Dec. 29 (letter of notification) \$150,000 of 6% convertible sinking fund debentures due Jan. 2, 1969 and 30,000 shares of common stock (par \$1). Price—Of debentures, at par; of stock, \$5 per share. Proceeds — To purchase new equipment and for working capital. Office—7020 Katy Rd., Houston, Tex. Underwriter—A. G. Edwards & Sons, St. Louis 1, Mo.

Prairie Fibreboard Ltd.

Aug. 18 filed 209,993 shares of common stock (par \$1.50) to be offered for sale to residents of Canada in the Provinces of Manitoba, Saskatchewan and Alberta and to residents of the United States "only in the State of North Dakota." Price—\$3 per share. Proceeds—For construction purpose. Office—Saskatoon, Saskatchewan, Canada. Underwriter—Allied Securities Ltd., and United Securities, Ltd., both of Saskatoon, Canada.

Rassco Financial Corp.

June 26 filed \$1,000,000 of 15-year 6% series A sinking fund debentures due 1973, to be offered in denominations of \$500 and \$1,000. Price—At par. Proceeds—For working capital and general corporate purposes. Underwriter—Rassco Israel Corp., New York, on a "best efforts" basis.

Reme Corp., Orlande, Fla.

Sept. 22 filed 100,000 shares of class A common stock.

Price—To be supplied by amendment. Proceeds—For working capital. Underwriter — Citrus Securities Co., Orlando, Fla.

A Reynolds Metals Co.

Jan. 12 filed 550,000 shares of second preferred stock, convertible series (par \$100). Price—To be supplied by amendment. Proceeds—To be used to the extent required to reimburse the company's treasury for the cost of acquisition of ordinary stock of The British Aluminum Co.

Ltd. and to meet the cost of any additional acquisition of such stock. Underwriters—Dillon, Read & Co. Inc., Reynolds & Co. Inc., and Kuhn, Loeb & Co., all of New York, Offering—Expected sometime in February.

Richwell Petroleum Ltd., Alberta, Canada
June 26 filed 1,998,716 shares of common stock (par \$1).
Of this stock, 1,174,716 shares are to be sold on behalf of the company and 824,000 shares for the account of certain selling stockholders. The company proposes to offer the 1,174,716 shares for subscription by its shareholders at the rate of one new share for each three shares held (with an oversubscription privilege). The subscription period will be for 30 days following issuance of subscription rights. Price—To be supplied by amendment. Proceeds—To pay off demand note, to pay other indebtedness, and the balance if any will be added to working capital. Underwriter—Pacific Securities Ltd., Vancouver, Canada.

• Rochester Telephone Corp.

Dec. 18 filed 195,312 shares of common stock (par \$10) being offered for subscription by common stockholders of record Jan. 9, 1959 on the basis of one new share for each six shares then held; rights to expire on Jan. 26. Price—\$21 per share. Proceeds—To repay bank borrowings. Underwriter—The First Boston Corp., New York.

Rohr Aircraft Corp. (1/22)

Dec. 29 filed 300,000 shares of additional common stock (par \$1). Price—To be supplied by amendment. Proceeds—To reduce short-term bank loans and to increase working capital. Underwriters—The First Boston Corp., New York, and Lester, Ryons & Co., Los Angeles, Calif.

Continued on page 134

Routh Robbins Investment Corp.

Sept. 22 filed \$1,000,000 of 10-year 6% cumulative convertible debentures and 99,998 shares of common stock Price—Of debentures, at par (in units of \$100 each), and of stock, \$1 per share. Proceeds — For investments and working capital. Office—Alexandria, Va. Underwriter—None.

\* Royal McBee Corp.

Jan. 6 filed 94,726 shares of common stock, to be offered under the company's Employee Stock Option and
Savings Plan

St. Paul Ammonia Products, Inc.
Dec. 29 filed 250,000 shares of common stock (par 2½ cents), to be offered for subscription by common stock-holders at the rate of one new share for each four shares held. Price—\$2.50 per share. Proceeds—For additional working capital. Office—South St. Paul, Minn. Underwriter—None.

St. Regis Paper Co.

Dec. 11 filed 288,450 shares of common stock (par \$5), being offered in exchange for outstanding shares of capital stock of F. J. Kress Box Co. on the basis of 2½ Shares of St. Regis common for each share of capital stock of Kress. St. Regis will declare the exchange offer effective if 95% of the outstanding shares of Kress stock are deposited in exchange and may elect to do so if a lesser per cent, but not less than 80%, of Kress shares, are so deposited. Statement effective Dec. 29, 1958.

San Diego Imperial Corp., San Diego, Calif. Dec. 9 filed 845,000 shares of common stock, to be offered in exchange for all of the 45,000 outstanding shares of capital stock of Silver State Savings & Loan Association and 3,000 shares of capital stock of Silver State Insurance Agency, Inc., both of Denver, Colo.

Seiberling Rubber Co. (1/19)
Dec. 23 filed 106,841 shares of common stock to be offered to common stockholders on the basis of one new share for each four shares held of record Jan. 19, 1959; rights to expire on Feb. 4. Price—To be supplied by amendment. Proceeds — Together with a proposed \$3,000,000 term loan, will be used for general corporate purposes including working capital. Underwriter—Eastman Dillon, Union Securities & Co., New York.

Service Life Insurance Co.

Sept. 26 (letter of notification) 3,567 shares of common stock (par \$1). Price—\$18.75 per share. Proceeds—To go to a selling stockholder. Office—400 W. Vickery Blvd., Fort Worth, Tex. Underwriter—Kay & Co., Inc., Houston, Tex.

Shares in America, Inc., Washington, D. C.
Dec. 12 filed 50,000 shares of common stock. Price—At market. Proceeds—For investment. Office — 1033-30th St., N. W., Washington 7, D. C. Investment Advisor—Investment Fund Management Corp.

vestment Fund Management Corp.

Sheridan-Belmont Hotel Co.

Aug. 19 (letter of notification) \$250,000 of 6% convertible debentures due Sept. 15, 1963 to be offered for subscription by common stockholders on a pro rata basis. Price—

At par. Proceeds—For working capital. Office — 3172
North Sheridan Rd., Chicago 14, Ill. Underwriter—None
Sire Plan of Elmsford, Inc., New York
Nov. 10 filed \$250,000 of 6% 10-year debentures and 5,000 shares of 6% participating preferred stock (par \$50)
to be offered in units of a \$50 debenture and one share
of preferred stock. Price—\$100 per unit. Proceeds—For
acquisition of motels. Underwriter—Sire Plan Portfolios,

of preferred stock. Price—\$100 per unit. Proceeds—For acquisition of motels. Underwriter—Sire Plan Portfolios, Inc., New York.

Slick Oil Corp., Houston, Texas

Dec. 8 filed \$1,500,000 of participating interests in the corporation's joint venture program, to be offered in minimum amounts of \$15,000, payable 20% down and the balance upon demand during 1959. Proceeds—To assemble and acquire interests in Canada and Conti-

nental United States. Underwriters—Rowles, Winston & Co., Houston, Tex., and Dewar, Robertson & Pancoast, San Antonio, Tex. Offering — Expected early in January

• Smith-Corona Marchant, Inc.

Dec. 24 filed \$7,443,100 of convertible subordinated debentures due Jan. 1, 1979 to be offered for subscription by common stockholders on the basis of \$100 principal amount of debentures for each 25 shares of stock held on or about Jan. 15; rights to expire on or about Jan. 30.

Price—To be supplied by amendment. Proceeds—To reduce bank loans and for working capital. Underwriter—Lehman Brothers, New York. Offering—Expected today (Jan. 15).

Southern California Edison Co. (1/20)
Dec. 24 filed 500,000 shares of common stock (par \$25).
Price—To be supplied by amendment. Proceeds—To repay bank loans and for construction program. Underwriters—The First Boston Corp., New York; and Dean Witter & Co., San Francisco, Calif.

★ Southern Co. (2/4)

Jan. 9 filed 1,350,000 shares of common stock (par \$5).

Proceeds—For payment of short-term bank loans, for investment in common stocks of subsidiaries and general corporate purposes, including additional investments in operating affiliates. Underwriter—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Morgan Stanley & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Lehman Brothers. Bids—Expected up to 11:30 a.m. (EST) on Feb. 4 at 250 Park Avenue, New York, N. Y.

Southern Natural Gas Co. (1/20)

Dec. 18 filed \$35,000,000 20-year first mortgage pipe line
bonds due 1979. Proceeds—To repay bank loans and for

new construction. Underwriter—To be determined to the competitive bidding. Probable bidders: Halsey, & Co. Inc.; Blyth & Co., Inc., and Kidder, Peab-Co. (jointly); The First Boston Corp. Bids—Expense received up to 11 a.m. (EST) on Jan. 20 in Room 90 Broad St., New York, N. Y.

Sports Arenes (Delaware) inc.

Nov. 18 filed \$2,000,000 of 6% 10-year convertight bentures (subordinated), due Jan. 1, 1969. Price supplied by amendment. Proceeds \$750,000 to page prinspotters, Inc. for bowling alley beds; \$350,000 for other installations, fixtures and equipment; for expand two present establishments by incrette number of alley beds by eight at Yorktown I and by six at Wilton Manor Lanes, Fort Laude \$300,000 for deposits on leaseholds, telephones and ities; and \$395,000 for working capital. Underweighted.

Sports Arenas (Delaware) Inc.

Nov. 18 filed 461,950 shares of common stock (parcent). Price—At the market (but in no event less \$6 per share). Proceeds—To selling stockholders. 4—33 Great Neck Rd., Great Neck, N. Y. Underweit None.

• Spur Oil Co. (1/19-23)
Dec. 15 filed 1,000,000 shares of common stock (pur Price—To be supplied by amendment. Proceed gether with \$6,500,000 of borrowings, will be use the acquisition of Spur Distributing Co., Inc., 50 general corporate purposes. Office—Eighth Ave., and Bradford Ave., Nashville, Tenn. Underwrite Equitable Securities Corp., Nashville, Tenn.

Standard Sign & Signal Co.

Dec. 17 (letter of notification) 300,000 shares of mon stock. Price—At par (\$1 per share). Process To promote and expand the development of the School Shelter business. Office—c/o Brown Kolo (130 Preston Haven Drive, Dallas, Texas. Under—Sano & Co., New York, N. Y. Offering—Not expendid after Jan. 31, 1959.

State Life, Health & Accident Insurance Cr.
July 9 (letter of notification) 50,000 shares of cr.
stock (par \$1). Price—\$5 per share. Proceeds
invested in stocks and bonds and to acquire othe
insurance companies. Address—P. O. Box 678, Go.
Miss. Underwriter—Gates, Carter & Co., Gulfpor?

Strategic Minerals Corp. of America, Dallas March 31 filed \$2,000,000 of first lien mortgage 6% and 975,000 shares of common stock (par 10 cents)—For bonds, 95% of principal amount; and for at per share. Proceeds—To erect and operate one ochemical processing plants using the Bruce—W. Process to beneficiate manganese ores. Underwessouthwest Shares, Inc., Austin, Texas.

Surrey Oil & Gas Corp., Dallas, Tex.

Nov. 12 filed 300,000 shares of common stock (pr. Price—\$3 per share. Proceeds—To retire current lities and for drilling and exploration costs and w capital. Underwriter—Peter Morgan & Co., New Offering—Expected any day.

Dec. 30 (letter of notification) 5,000 shares of 7% lative preferred stock (par \$15) and 25,000 also common stock (par \$1), to be offered in units share of preferred stock and five shares of eastock. Price—\$20 per unit. Proceeds—To reduce a payable and increase working capital. Office—\$41 Brattleboro, Vt. Underwriter—None. Letter to be drawn and issues placed privately.

• Tower Merchandise Mart, Inc., Boulder, & Nov. 10 filed 500,000 shares of common stock (p. Price—\$10 per share. Proceeds—For working capit construction program. Underwriter—Allen Inc. Co., Boulder, Colo. Statement effective Dec. 31.

Tractor Supply Co.

Dec. 18 filed 480,000 outstanding shares of class of the supplied by the ment (expected at around \$12 per share). Processelling stockholders. Office — 2700 North Hale Chicago, Ill. Underwriter—Dempsey-Tegeler & Chicago, Mo.

Transcontinental Gas Pipe Line Corp. (1/2)
Jan. 7 filed \$35,000,000 of first mortgage pipe line
due 1979. Price — To be supplied by amendment
ceeds—For property additions and improvements
to reduce outstanding notes under company's corrected agreement. Underwriters — White, Weld
and Stone & Webster Securities Corp., both of New

Trout Mining Co.

Dec. 2 filed 280,763 shares of common stock, of 278,043 shares are being offered for subscript holders of company's common stock of record In 1958, on the basis of three new shares for each set be held following a distribution to stockholders ord Dec. 5, 1958 of American Machine & Mess There will be an oversubscription privilege. will expire on Jan. 16. The remaining 2,720 shart to be offered to certain employees. Price—51 per Proceeds—For working capital. Underwriter—53.

Linion Bag-Camp Paper Corp.

Jan, 8 filed 23,282 shares of capital stock (par \$2 to be offered in exchange for shares of capital \$2 to be offered in exchange for shares of capital \$2 to be offered in exchange for shares of capital \$2 to be offered in exchange of the exchange offer is accepted prior to its expiration of stock holding more than 25,000 of the outstanding share exchange offer will be cancelled. If the exchange is so accepted by the holders of more than 25,000 less than 36,000 such shares, the exchange offer state cancelled at the option of Union Bag by written to the exchange of the cancelled at the option of Union Bag by written to the capital state.

## The Meteoric Growth Of Mutual Funds

well as many institutions. Invest- imum initial investment. Subsements range from well under \$1,-000 to over \$1 million.

The average mutual fund buyer is not looking for a killing in the stock market but rather for a conservative investment that will be held for 10 to 20 years or life.

#### Systematic Investing

One of the most significant de-velopments in the mutual fund industry in recent years is the wide-

pread acceptance of various forms of periodic purchase plans.
Hundreds of thousands of individuals and many institutions buy mutual funds a little at a time—
small initial investment with mall subsequent investments every month or quarter or per-haps every year. Prior to the pe-riodic purchase plans offered by mutual funds or the Monthly Investment Plan offered by the New York Stock Exchange, many persons of average means deferred making investments until they had a worthwhile round sum—a happy state which many did not achieve. Now one can start to acquire stock ownership in American industry by investing modest sums on a periodic basis. modest sums on a periodic basis. Some funds require a minimum initial purchase of from \$20 to 250 or the purchase of a minimum number of shares such as

age groups and walks of life as 10. Other funds require no minquent investments must be not ss than \$25 with many funds, \$50 in other funds, and no minimum in others.

As of Sep. 30, 1958, there were over 800,000 of these accumulation plans in effect (including both voluntary and contractual types) with a total value of \$1,-119,000,000. Approximately 60,000 new accounts have been opened during each of the first three quarters in 1958, according to fig-ures released by the National As-sociation of Investment Companies. New accumulation plans opened in 1958 should exceed the 1957 total of 220,897 new accounts which was a number substantially in excess of any previous twelve month period.

The accumulation plans referred to above include only those in which the planholder has made provision for the investment of new money at regular intervals. The great majority of these plans also include provision for reinvestment of distributions. Accumulation plans are generally of two types. One is the contractual type under which the investor formally agrees to make regular periodic investments for a specified period of time. The other, known as the voluntary type, is a less formal plan in which no total time period or ultimate investment amount is

Some accumulation plans are being used for corporate retirement and profit sharing programs, union funds, and other similar tinuing flow of new money for investment.

In contemplating a plan of sysrealized that the plan involves investing in a security which is subect to market fluctuation so that there can be no assurance that the investor's objective will be such a program does not assure a profit nor protect against loss in from the cost of living trend. declining market, and a loss The backbone of the growth of would be incurred if the plan mutual funds has been the small

shares is less than the cost. The risk of loss must be measured as against the opportunities for profit. Such a plan involves continuous investments in shares at regular intervals regardless of price levels so that the investor must take into account his financial ability to continue such a plan through periods of low price levels. PLANS SHOULD BE MADE TO BUILD INVESTMENTS IN SUCH PROGRAMS OVER A LONG PERIOD OF TIME.

#### Reasons for Growth of Mutuals

Of course a part of the growth to over \$12 billion of assets over the past 18 years is due to the general advance of security prices. Nevertheless, as shown by the ac-companying chart, there has been a strong upward trend in the annual volume of gross and net sales since 1941. It is estimated that in the period of 1940 to the 1958 year-end, some \$8 billion of new money will have been invested in mutual funds. This dynamic growth of mutual funds would appear to evidence public acceptance and confidence in this form of investment.

A strong reason why people buy mutual funds is desire for income. In 1957, mutuals distributed some \$322 million as income dividends. With many sources of income, a mutual fund is likely to pay regular income dividends although in varying amounts.

Then, the sales effort in mermore and more brokerage houses market. With the mutual fund story being told to an ever grow- from that of the fund. ing number of people it is inevitable that sales will expand.

One of the most compelling union funds, and other similar reasons for growth in mutual purposes where there is a con-funds, especially of the common stock variety, is that they offer a sound and productive method to share in the long range upward tematic investment, it should be trend of our economy as an off- the United States are at all time set against the historically dimin- high. ishing purchasing power of the dollar. It should be realized, however, that at times, the value of shares and the income they pay achieved. As in all investments, may in the future, as in the past, move in the opposite direction

were discontinued at a time when investor—with as little as \$500 the market value of accumulated and probably not more than \$10,-

000. The marked trend in recent and long term, prospects are exyears toward redistribution of national income in favor of the lower income groups has enabled many to accumulate surplus funds for investments despite higher living costs.

Medium - sized investors with 20,000 to \$50,000 have also been attracted to mutual funds.

Mutual investment funds also have attracted substantial investors and many single investments of a million dollars or more have been made by individuals, institutions and endowments. Harvard University, with perhaps the largest endowment fund in the world (over \$535 million), after operating the account themselves for many years, in 1948 turned over the management of its account to the investment management of a mutual investment company practical evidence of confidence chandising mutual fund shares has in professional investment manbeen expanding in recent years as agement. It must be realized, however, that Harvard University and investment dealers go into did not invest in a mutual fund this segment of the investment and that the objective of the University account may be different

#### What of the Future?

growth trend of mutual funds over the last 15 years, could easily result in \$40 billion of assets by 1968—with 5 million shareholders.

Liquid savings of individuals in

Statistics available from the SEC show estimated liquid assets of individuals (currency, demand deposits, time deposits, savings and loan shares and U. S. Government securities) at over \$280 billion at the 1958 mid year—an all time high. Some of these funds will undoubtedly find placement in the investment market and many will prefer the "mutual" way of investing.

Personal income in July, 1958, according to government reports, rose to a record annual rate of \$354.5 billion. In the same month, investors purchased a record monthly total of \$165 million mutual fund shares. There is a clear correlation between the amount of money people earn and the amount they invest. With a continuation of record earnings in He was formerly with Dividend prospect over the intermediate Securities Continuation of the continuation prospect over the intermediate Securities Company.

cellent for record mutual fund

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There are many millions of peo-ple in the U.S. who enjoy more income and have larger savings than ever before — but who have never bought securities principal. ly because they are unfamiliar with the nature of investment. In. evitably, many of these will be-come mutual fund shareholders through the educational efforts and salesmanship of investment

Inflation will continue to exert ressure on the American family, With the traditional havens for money not returning sufficient income to offset rising living costs and taxes, more and more inflation-conscious investors who can afford the risks of equity investing will seek long term growth of capital and income in common stocks. Many will choose mutual funds for this purpose.

Another dynamic prospect for mutual fund investment is the pension fund, now growing, in the aggregate, at a rate of about one-half billion dollars a year.

Prospects are bright indeed for A continuation of the dynamic the mutual fund industry - as more and more Americans put their surplus funds to work in the growth, income and profits of ever expanding American industry and business.

#### Clarence M. Lewis

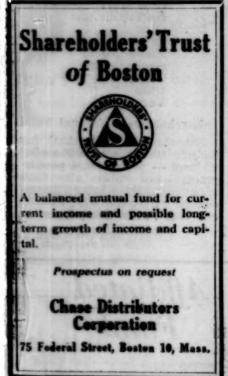
Clarence M. Lewis passed away Jan. 4 at the age of 82. Prior to his retirement in 1932 he had been a partner in William Salomon & Co. and Blair & Co.

#### Prince Edward Lobkowicz

Prince Edward Joseph Lobkowicz, associated with Fahne-stock & Co., as a customers broker passed away Jan. 1 at the age

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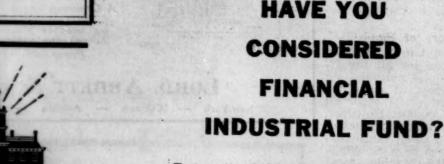
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## The State of Trade and Industry

ligher prices on most grains, lour, and rubber were offset by ower livestock, butter, and sugar

Encouraged by a good backlog f export business, grain trading icked up during the week, and rices advanced somewhat. Inreased buying of rye boosted rices noticeably. Wheat prices noved up somewhat from the rior week, and transactions imroved. Although sales of corn vere close to a week earlier, rices increased fractionally. there was a moderate dip in soyean turnover, and prices were own slightly.
Although both domestic and ex-

ort buying was sluggish this veek, flour prices were slightly igher than a week earlier. There vas a marked rise in orders for ago, ice from domestic buyers and inuiries from exporters were up ubstantially, but prices were unhanged from the prior week.

Coffee trading slipped this week, out prices were sustained at the prior week's levels. The news derelopments in Cuba apparently and little effect on sugar trading n the United States, as volume was close to that of the prior preciation, week and prices were steady. Alhough cocoa trading livened up ket value" of during the week, prices fell somewhat.

Hog receipts in Chicago exbanded noticeably this week, but period from trading remained at the level of a week earlier; hog prices were down somewhat. There was an appreciable rise in the salable supply of steers and trading finding cordinates. moved up, but prices were off fractionally. Increased lamb receipts prompted a slight decline in prices, as trading lagged. Conrary to the decline in hog prices, ard prices rose appreciably durng the week.

There was an appreciable rise in cotton trading on the New York Cotton Exchange in the week ended Jan. 6, but prices were unchanged from the prior week. In the latest week exports of cotton amounted to about 38,-000 bales, compared with 78,000 in the prior week and 107,000 in the similar week a year ago. For the season through last Jan. exports totaled 1,285,000 bales, against 2,333,000 during the comparable period last season.

#### Clearance Sales Promotions Stimulate Trade

Attracted by numerous clearance sales promotions, consumers stepped up their buying of apparel, some appliances, and linens in the week ended Jan. 7, and the total dollar volume of retail trade slightly exceeded that of a ear ago. More noticeable gains were prevented by unfavorable weather in some areas and limited stocks among some retailers. Scattered reports indicated that the buying of new passenger cars rose somewhat from the prior week and were slightly higher

than a year ago. The total dollar volume of retail trade in the week was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: East North Central, South At-lantic, and Pacific Coast +1 to +5; Middle Atlantic and West North Central 0 to +4; East South Central and Mountain —1 to +3; West South Central -2 to +2; New England —5 to —1.

There was a noticeable rise in the buying of women's Winter coats, dresses, and fashion ac-cessories and volume in sports-

ng date a year ago was 278.20. erately exceeded that of a year ago. Year-to-year gains in purchases of men's suits, topcoats, and sportswear offset decline in furnishings. Increased buying of boys' shirts, slacks, and jackets boosted total sales of boys' merchandise slightly over last year.

Attracted by openings in New York City, apparel buyers noticeably stepped up their orders for women's Spring dresses, sports-wear, blouses, and millinery, and volume was close to last year. Bookings in women's Spring coats and suits were down slightly from the similar period a year ago. The call for men's Spring clothing expanded considerably and was close to last year. In preparation for Easter, retailers increased their buying of children's clothing over both the prior week and a year

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Jan. 3, 1959, advanced 3% above the like period last year. In the preceding week, Dec. 27, 1958, an increase of 30% was reported. For the period Jan. 1, 1958, to Dec. 27, 1958, an increase of 1% was recorded above

that of the 1957 period.

Retail trade sales volume here in New York City the past week, according to estimates by trade ervers was unchanged from the 1957 level.

According to the Federal Reserve Board's index, department store sales in New York City for the week ended Jan 3, 1959, showed a decrease of 3% below that of the like period last year. In the preceding week, Dec. 27, 1958, a gain of 23% was reported. For the four weeks ended Jan. 3, 1959, an increase of 22% was noted. For the period Jan. 1, 1958, to Dec. 27, 1958, an increase of 3% was registered above that of the corresponding period of 1957.

## Home Owners' Incomes Outrun Their Mtg. Debt

As a rule, increases in mort-gage debt on United States homes in recent years have been less than increases in home owners'

incomes. And in spite of decurrent "marmortgaged homes rose by in the 1950 through end of

Both of these findings, ac-cording to Saul From kes, President of the City Title

Insurance Company of New York, are contained in one of the government's most important real esreau of the Department of Com-merce: "1956 National Housing Inventory—Volume II, Financing of Owner - Occupied Residential Properties."

Saul Fromkes

#### Debt and Income

In comparing home mortgage debt and home owners' income, Mr. Fromkes reports, this Federal study shows that median FHA home owner debt at the end of 1956 was 1.17 times median annual income of FHA home owners, compared with 1.26 times income in 1950, while Veterans Administration median mortgage debt was 1.51 times VA home owner income in 1956, compared with 1.54 times income in 1950. During the same period, median conventional mortgage debt decreased from 0.84 times owners' income in 1950 to 0.82 times income in 1956.

In comparing the current "mar-ket values" of mortgaged homes on which data were obtained in both the 1950 Census and in the special 1956 National Housing Inventory, the government found that the median value in 1950 was \$7,929, and at the end of 1956 was \$10,566, an increase of \$2,637, or

#### Median Market Value of Houses

In a table covering various price ranges in this section of the report, according to the City Title Insurance Company executive, Census Bureau experts estimate that the median current market value of houses that were checked 1956. in each year and were in the \$4,sales of women's apparel mod- to \$6,999 was 37%; those in the standing balance \$4,637).

\$7,000 to \$7,999 range, 33%; those in the \$8,000 to \$8,999 range, 30%; those in the \$9,000 to \$9,999 range, 27%; those in the \$10,000 to \$14-999 range, 32%, and those from \$15,000 to \$19,999, 22%.

The special inventory estimated that the median current market value of all mortgaged houses as of Dec. 31, 1956 was \$12,416, with 31% of them valued at less than \$10,000, another 35% from \$10,000 to \$15,000, and 34% valued at over

#### Other Highlights

Some of the other highlights on home mortgage conditions re-vealed by the 1956 National Housing Inventory, as cited by Mr. Fromkes:

(1) As the number of mortgaged owner-occupied, single - dwelling\_ unit properties increased from 7,-052,000 in 1950 to 12,713,000 in tate publications of 1958, issued 1956, the percentage of non-late in October by the Census Bu-mortgaged units of this size decreased from 54 to 44.

(2) The median total borrowing, including first and second mortgages, for the purchase of new units rose from \$4,458 in 1950 to \$7,865 in 1956. But allowing for amortization, on existing homes, the median of outstanding debt rose from only \$3,427 to \$6,338.

(3) Mortgage debt on new single-unit houses built between 1950 and 1956 accounted for 63% of total outstanding home mortgage debt in 1956. The debt on houses built before 1950 was virtually unchanged.

(4) FHA and VA guaranteed loans accounted for 44% of firstmortgage loans in 1956, compared with 41% in 1950, and 55% of total outstanding mortgage debt in 1956, compared with 45% in 1950. During this span, the number of A loans increased 188%, and FHA loans 85%.

(5) Total single-family owneroccupied outstanding home mortgage debt of \$79.4 billion in 1956 amounted to 54% of the estimated value of mortgaged properties, while the total of \$28.6 billion in 1950 was 48% of estimated value. The 1956 debt outstanding amounted to 83% of the original loans; the 1950 outstanding debt equalled 82% of original loans.

Of all mortgaged homes, 32% were built prior to 1940; 20% were built between 1940 and 1950; 33% were built in the 1950-54 period, and 15% were built in 1955 and

(7) The median original amount 000 to \$4,999 range in 1950 rose of FHA first mortgage loans was 44% by the end of 1956; the me- \$8,428 (outstanding balance in dian for those that were in the 1956 \$7,048); for VA loans \$9,804 \$5,000 to \$5,999 range rose 46%; (outstanding balance \$8,715), and

## Railroad Securities

#### Missouri Pacific

Improvement in economic con-itions in the West and Southwest 1957 months. The balance after the final quarter of 1958 mandatory capital and sinking ditions in the West and Southwest in the final quarter of 1958 brought about a betterment in earnings of the Missouri Pacific arg compared with \$1,116,140 in Lines. Earlier in 1958, carloadings the like 1957 month and for the had been running as much as 13% under 1957. With the gain in business during the final months, it is estimated the road ended the year with loadings off only 5¼% as compared with 1957.

This improvement brought gross as compared with 1957.

This improvement brought gross

revenues up to an estimated \$290 million, down only 3% from 1957. The road had to exercise strict control over expenses during the year in view of the rise of about \$8,800,000 in wage expenses. After mandatory appropriations and capital funds, the balance for the year is placed at \$4,500,000.

November showed a good improvement over the like 1957 month with gross revenues of \$24,653,713 compared with \$22,-879,786 in November, 1957. For the first 11 months of last year gross was \$266,197,035 against \$274,204,227 in the like 1957 months. Net income in November was \$2,136,976 as compared with \$1,973,165 in the 1957 month, and for the 11 months in 1958 net income was \$12,508,814 against \$14,-939,622 in the like 1957 months.

In November \$364,000 was accrued for Federal Income taxes compared with a credit accrual of \$400,000 in November, 1957. For the 11 months, \$967,000 was ac- car patrons who to crued for Federal Income taxes of the lower fares.

Pacific. The territory served by the road seems to be accelerating its recovery from the effects of the recession more rapidly than many other regions. The road has been able to diversify its traffic, gaining a broader base and now has increasing manufacturing and industrial activity as well as agricultural products, mines and for-

Missouri Pacific is one of the few railroads which has been seeking additional passenger traffic, even to the extent of reducing fares and placing special fares in effect. Lower fares on the Colorado Eagles has made addi-tional traffic available. Surveys among passengers in these coachfare sleepers indicated that 37% would have used just the coach seat had not reduced Pullman fares been in effect; 23% would have traveled by air, 14% by private automobile and 3% by bus. Only 10% were former Pullman car patrons who took advantage

## Savings Banks' Deposits and Mortgage Funds

Continuous monthly deposit increase in mutual savings bank industry, exceeding deposit gains of paralleled 1957 months. is reported by National Association of Mutual Savings Banks. Survey notes sharp increase in net flow of mortgage funds and anticipates continued large flow of mortgage funds for several months ahead.

deposit gains in the nation's 519 mutual savings banks exceeded those in corresponding months of 1957, and for seven months the gains were the largest on record. By year-end total deposit gains are expected to reach \$2.5 billion —the largest gain for any year on record. Total deposits in the banks are expected to exceed \$34 billion at the end of 1958, and assets to reach more than \$38 billion.

The year-end survey, issued by the National Association of Mutual Savings Banks, indicated that with the anticipated rise in personal incomes, deposit gains in the mutual savings banks should continue through 1959, assuming no strong revival of inflationary psychology that could cause accelerated efforts at hedging.

The investment pattern of savings banks during 1958 showed a mortgage funds, a corresponding downturn in the pace of corporate security investment after the first five months of the year, and continued reduction of the banks' holdings of U. S. Government securities. During 1958 the average monthly rate of increase in mortgage holdings was over \$175 million, compared with nearly \$120 million during most of 1957. Net mortgage acquisitions for the year are expected to exceed \$2 billion, compared with \$1.4 billion in 1957 and the record \$2.4 billion in 1955. Total mortgage holdings at the end of the year will exceed \$23 billion, representing a little more than 60% of total assets.

Wear was up slightly; overall the increase of those from \$6,000 for conventional loans \$6,277 (out- sold \$300 million U. S. Govern- are found also in the Midwest ment securities, bringing their to- and the Pacific Northwest.

During every month in 1958, tal holdings at the end of the year to \$7.3 billion, or slightly less than 20% of total assets.

During the early months of 1958, the savings banks acquired corporate securities at a greater rate than during the latter half of the year. Net investment for 1958 will be close to the 1957 volume of \$800 million. This will bring total holdings of corporates to \$5.1 billion by the end of the year, representing more than 13% of total assets.

Mortgage commitments at most savings banks, the report added. will probably mean that for several months ahead there will be a continued large flow of mortgage funds. Government security holdings of savings banks are at a postwar low, relative to their total assets, but it is possible that savings banks may become net purchasers of Governments dur-ing 1959. Much will depend on sharp increase in the net flow of any Treasury decisions to compete on the basis of rate and terms with other capital market borrowers, it was pointed out.

The year-end report was issued by the National Association of Mutual Savings Banks, which represents the savings banks on a national level in their efforts to improve thrift services and gain wider appreciation of the contributions made by the banks to individual depositors and the economy. The 519 mutual savings banks, which are State-chartered and supervised, are non-profit thrift institutions, operated for the benefit of depositors. They are located in 17 States, principally During 1958 the savings banks in the North Atlantic States but

# Securities Now in Registration

Advanced Research Associates, Inc.

Dec. 1 filed 400,000 shares of common stock (par five cents). Price—\$6 per share. Proceeds—For research and development program; and for equipment and working capital. Office — 4130 Howard Ave., Kensington, Md. Underwriters — Wesley Zaugg & Co., Kensington, Md., and Williams, Widmayer Inc., Washington, D. C. Offering—Expected in January.

Alaska Juneau Gold Mining Co.

Dec. 29 filed 640,660 outstanding shares of common stock, of which 300,000 shares are to be offered currently and the remaining 340,660 shares in the future.

Price—To be supplied by amendment. Proceeds—To selling stockholders. Office—6327 Santa Monica Boulevard, Los Angeles, Calif. Underwriter—Lester, Ryons & Co., Los Angeles, Calif.

Allied Publishers, Inc., Portland, Orc.

Nov. 28 (letter of notification) 22,000 shares of common stock (par \$1). Price—\$8.50 per share. Proceeds—For general corporate purposes. Office—665 S. Ankeny St. Portland 14, Orc. Underwriter—First Pacific Investment Corp., Portland, Orc.

• Ali-State Properties Inc.

Dec. 29 filed 685,734 shares of capital stock (par \$1) to be offered for subscription by stockholders at the rate of 1½ new shares for each share held (for a 15-day standby. Price — \$2 per share. Proceeds—For additional working capital and new acquisitions, etc. Office—30 Verbena Avenue, Floral Park, N Y. Underwriter—None. Offering—Expected about the middle of February.

American Asiatic Oil Corp.

Nov. 24 filed 100,000,000 shares of capital stock. Price— Two cents per share. Proceeds—To selling stockholders. Office—Magsaysay Building, San Luis, Ermita, Manila, Republic of Philippines. Underwriter — Gaberman & Hagedorn, Inc., Manila, Republic of Philippines.

American Buyers Credit Co.

Nov. 13 filed 5,000,000 shares of common stock, of which 4,545,455 shares of this stock are to be offered for public sale at \$1.75 per share. [Shares have been issued or are issuable under agreements with various policy holders in American Buyers Life Insurance Co. and American Life Assurance Co. (both of Phoenix) permitting them to purchase stock at \$1.25 per share. Sales personnel have been given the right to purchase stock at \$1.25 per share up to the amount of commission they receive on stock sales made by them.] Proceeds—For the operation of other branch offices, both in Arizona and in other states. Office—2001 East Roosevelt, Phoenix, Ariz. Underwriter—None.

American-Caribbean Oil Co. (N. Y.)
Feb. 28, 1958, filed 500,000 shares of common stock (par 20c). Price—To be supplied by amendment. Proceeds—To discharge current liabilities and to drill 10 wells.
Underwriters—To be named by amendment.

American Enterprise Fund, Inc., New York
Oct. 30 filed 487,897 shares of common stock. Price—At
market. Proceeds—For investment. Distributor—Edward A. Viner & Co., Inc., New York.

American Growth Fund, Inc., Denver, Colo.
Nov. 17 filed 1,000,000 shares of capital stock (par one cent). Price—At market. Proceeds—For investment.
Office—800 Security Building, Denver, Colo. Underwriter—American Growth Fund Sponsors, Inc., 800 Security Bldg., Denver 2, Colo.

American Mutual Investment Co., Inc.

Dec. 17, 1957, filed 490,000 shares of capital stock. Price—\$10.20 per share. Proceeds—For investment in first trust notes, second trust notes and construction loans. Company may develop shopping menters and build or purchase office buildings. Office—900 Woodward Bldg., Washington, D. C. Underwriter—None. Sheldon Magazine, 1201 Highland Drive, Silver Spring, Md., is President.

American Telemail Service, Inc.
Feb. 17, 1958, filed 375,000 shares of common stock (par \$1). Price—\$4 per share. Proceeds—To purchase equipment and supplies and for working capital and other corporate purposes. Office—Salt Lake City, Utah. Underwriter—Amos Treat & Co., Inc., of New York. Change in Name—Formerly United States Telemail Service, Inc. Offering—Expected early in 1959.

Jan. 5 filed 250,000 outstanding shares of common stock.

Price—To be supplied by amendment. Proceeds — To selling stockholders. Cruttenden, Podesta & Co., Chicago, Ill.

Associated Bowling Centers, Inc.

Nov. 24 filed 300,000 shares of 20-cent cumulative convertible preferred stock (par one cent) and 50,000 outstanding shares of common stock (par one cent). The preferred shares are to be offered for public sale for the account of the company and the common shares will be offered for the account of a selling stockholder. Price—To be supplied by amendment. Proceeds—To acquire new bowling centers and increase working capital (part to be used in defraying cost of acquisition of stock of owner of a Brooklyn (N. Y.) bowling center. Office—135 Front St., N. Y. Underwriter — To be named by amendment. Offering—Expected any day.

Australian Grazing & Pastoral Co., Ltd.,

Jan. 13 filed 4,000,000 shares of common stock. Price—At par (561/4 cents per share). Proceeds—To purchase cattle; for improvements; to buy additional ranch in

Queensland, Australia; and for other corporate purposes.

Office—1301 Avenue L, Cisco, Tex. Underwriter—None.

Ramon Kannon is President.

Autosurance Co. of America
Oct. 16 filed 250,000 shares of common stock (par \$2.50).
Price—\$5 per share. Proceeds—To increase capital and surplus. Office—Atlanta, Ga. Underwriter—None. Statement effective Dec. 3.

Avco Manufacturing Corp., New York (1/27)
Jan. 7 filed \$15,000,000 of convertible subordinated debentures, due Feb. 1, 1979, to be offered for subscription by stockholders of record about Jan. 27, 1959 on basis of \$100 of debentures for each 64 shares held; rights to expire on Feb. 10, 1959. Price—To be supplied by amendment. Proceeds — To reduce short-term bank loans, Underwriters—Lehman Brothers and Emanuel, Deetjen & Co., both of New York.

Feb. 28, 1958, filed 258,740 shares of common stock (par \$1), of which 125,000 shares are to be offered publicly and 133,740 shares to employees pursuant to stock purchase options. Price—To public, \$6 per share. Proceeds—For expansion and other corporate purposes, Office—Atanta, Ga Underwriter—None.

Bankers Management Corp.
Feb. 10, 1958, filed 400,000 shares of common stock (par 25 cents). Price—\$1 per share. Proceeds—To reduce outstanding indebtedness and for working capital. Office—1404 Main St., Houston, Texas. Underwriter—McDonald, Kaiser & Co., Inc. (formerly McDonald, Holman & Co., Inc.), New York.

Bankers Southern, Inc.

April 14, 1958, filed 8,934 shares of common stock. Price

—At par (\$100 per share). Proceeds—For general corporate purposes. Underwriter—Bankers Bond Co., Louisville, Ky

Bargain Centers, Inc.

Nov. 20 (letter of notification) \$300,000 of 6% subordinated convertible debentures due Jan. 1, 1969 and 30,000 shares of common stock (par 10 cents) to be offered in units of \$100 of debentures and 10 shares of stock. Price—\$100 per unit. Proceeds—For equipping and decorating a new store and acquisition of real estate for a new warehouse and working capital. Office—c/o Edward H. Altschull, President, 1027 Jefferson Circle, Martinsville, W. Va. Underwriter—Securities Trading Corp., Jersey City, N. J.

Bargain City, U. S. A., Inc.

Dec. 29 filed 5,000,000 shares of class A common stock.

Price—\$3 per share. Proceeds—For expansion and acquisition or leasing of new sites. Office—2210 Walnut Street, Philadelphia, Pa. Underwriter—None.

Bellechasse Mining Corp. Ltd.
Oct. 29 filed 800,000 shares of common stock. Price—Related to the market price on the Canadian Stock Exchange, at the time the offering is made. Proceeds—To be applied over the balance of 1958 and the next three years as follows: for annual assessment work on the company's properties (other than mining claims in the Mt. Wright area in Quebec); for general prospecting costs; and for general administration expenses. Office—Monteal, Canada. Underwriters—Nicholas Modinos & Co. Washington, D. C.) in the United States and by Forget & Forget in Canada.

Big Bromley, Inc., Manchester, Vt.
Dec. 9 filed 6,000 shares of common stock, \$300,000 of 5% debentures due April 1, 1979, and \$100,000 of 6% notes due April 1, 1980, the common stock and debentures to be offered in units of \$250 of debentures and five common shares. Price—Of units, \$500 each, and of notes, at par. Proceeds—For general corporate purposes. Business—A ski lift and school. Underwriter—None.

Blossman Hydratane Cas, Inc. (2/2-6)
Dec. 29 filed \$1,200,000 of 5% subordinated convertible debentures due Dec. 31, 1978 and 120,000 shares of common stock (par \$1) to be offered in units of \$500 of debentures and 50 shares of common stock. Price—To be supplied by amendment. Proceeds—To retire short-term bank loans, and for working capital to be used for general corporate purposes. Business—Sale and distribution of liquified petroleum gas. Office—Covington, La. Underwriters—S. D. Fuller & Co., New York and Howard, Weil, Labouisse, Friedrichs & Company, New Orleans, La.

• Borman Food Stores, Inc. (1/21)
Dec. 24 filed 404,900 shares of common stock (par \$1), of which 304,900 shares would be sold for account of stockholders and 100,000 shares for account of the company. Price—To be supplied by amendment. Proceeds—For general corporate purposes. Underwriter—Shields & Co., New York.

Boston Garden-Arena Corp.

Nov. 24 (letter of notification) 2,150 shares of common stock (par \$1). Price—At-the-market (estimated at \$23 per share). Proceeds—To go to selling stockholders. Office—North Station, Boston 14, Mass. Underwriter—Weston W. Adams & Co., Boston, Mass.

Bowmar Instrument Corp.

Dec. 30 (letter of notification) \$300,000 principal amount of 5-year 6% notes with stock purchase warrants attached. The warrant grants the right to purchase common stock of the company at the rate of 30 shares for each \$1,000 principal amount of notes at the price of \$7.50 per share. Price—At par. Preceeds — To reduce current short-term indebtedness and for working capital.

\* INDICATES ADDITIONS
SINCE PREVIOUS ISSUE
• ITEMS REVISED

Office — Bluffton Rd., Fort Wayne, Ind. Underwriter-Faiton Reid & Co., Inc., Cleveland, Ohio.

Bridgenampton Road Races Corp.

Oct. 23 (letter of notification) 15,000 shares of common stock (par \$1) to be offered for subscription by stock, holders of record Nov. 1, 1958 on the basis of one new share for each four shares held; unsubscribed share will be offered to current creditors in payment of all or part of claims, at the rate of one share for each & of claims discharged; rights to expire about two weeks after mailing of offer. Price—\$4 per share. Proceeds—To pay current creditors. Address — P. O. Box-506 Bridgehampton, L. I., N. Y. Underwriter—None.

Brookridge Development Corp.

Dec. 19 (letter of notification) \$200,000 of 6% 15-year convertible debentures. Price—At par (\$500 per unit), Proceeds—For expansion and working capital. Office—901 Seneca Ave., Brooklyn 27, N. Y. Underwitter—Sano & Co., 15 William St., New York, N. Y.

Ocerrace Oil Co., Ada, Okla. (1/22)

Nov. 10 (letter of notification) 200,000 shares of common stock. Price—\$1.50 per share. Proceeds — For general corporate purposes. Underwriter — Berry & Co., New York.

Comex of Arizona, Inc.

Nov. 17 (letter of notification) 300,000 shares of common stock (par 25 cents). Price—\$1 per share. Proceeds—For working capital. Address—P. O. Box 1849, 3720 E 32nd Street, Yuma, Ariz. Underwriter—L. A. Huey Co., Denver, Colo.

Central Hudson Gas & Electric Corp. (1/26-27)
Jan. 2 filed 350,000 shares of common stock. Price—To
be supplied by amendment. Proceeds—For construction
program. Underwriter — Kidder, Peabody & Co., New
York.

Central Illinois Public Service Co. (1/27)

Dec. 31 filed \$12,000,000 first mortgage bonds, series H, due Jan. 1, 1989. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Salomon Bros. & Hutzler. Bids—Expected to be received up to 10:30 a.m. (CST) on Jan. 27.

★ Century Food Markets Co.

Jan. 9 filed 118,112 shares of common stock (par \$1) to be offered for subscription by holders of common stock at the rate of one new share for each five shares held.

Price—\$5 per share. Proceeds—To discharge bank loan and to replenish working capital. Underwriter—Janney Dulles & Battles, Inc., Philadelphia, Pa.

• Champion Paper & Fibre Co.

Dec. 19 filed \$20,036,400 of 4½% convertible subordinate debentures due Jan. 15, 1984, being offered for subscription by common stockholders of record Jan. 14, 1959 at the rate of \$100 of debentures for each 22 shares then held; rights to expire on Jan. 29, 1959. Price—At 100% of principal amount. Proceeds — To repay outstanding bank loans and for general corporate purposes, including additional working capital and future capital expenditures. Underwriter—Goldman, Sachs & Co., New York

Ochemical Fire & Casualty Insurance Co.

Nov. 24 filed 210,000 shares of class "A" voting common stock and 210,000 warrants to subscribe to a like number of shares of class "B" non-voting common stock. Purchasers of the class "A" shares will receive with each share purchased a warrant granting the right to purchase for \$10 per share one shares of class "B" stock for a period of 18 months after the company receives permission to write insurance. Price—\$10 per share. Proceeds—For working capital. Office—2807 Sterick Bldg., Memphis, Tenn. Underwriter—None, Statement effective Jan. 7, 1959.

\* City Lands, Inc., New York

Jan. 13 filed 100,000 shares of capital stock. Price—Stoper share. Underwriter—Model, Roland & Stone, New York

★ Civic Finance Corp.

Jan. 2 (letter of notification) 6,000 shares of common stock (par \$4) to be offered for subscription by holder of stock purchase warrants attached to the 5½% capital notes, series A. Price—\$15 per share. Proceeds—For working capital. Office—633 N. Water Street, Milwaukee, Wis. Underwriter—None.

Clute Corp.

Aug. 21 (letter of notification) 300,000 shares of common stock (par one cent). Price—\$1 per share. Proceeds—To pay additional costs of construction; and for retirement of obligations and working capital. Office — c/o John Harlan Lowell, 2200 Kenton, Aurora, Colo. Underwritet—Lowell. Murphy & Co.; Inc., Denver, Colo.

Combustion Engineering, Inc.

Dec. 19 filed 64,011 shares of capital stock to be offered in exchange for 81,002 shares of the outstanding common stock and for 2,131 shares of the outstanding \$100 per preferred stock of General Nuclear Engineering Corp. at the rate of seven shares and 3.4302 shares of Combustion Engineering stock for each 10 shares of common stock and each share of preferred stock, respectively, of General Nuclear Engineering (of Dunedin, Fla.).

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Commerce Oil Refining Corp.

Dec. 16, 1957 filed \$25,000,000 of first mortgage bonds due Sept. 1, 1968, \$20,000,00 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: \$1,000 of bonds and 48 shares of stock and \$100 of debentures and nine shares of stock Price—To be supplied by americanent. Proceeds — To construct refinery. Underwriter—Lehman Brothers, New York. Offering—Indefinite.

Commercial Investors Corp.

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Nov. 28 (letter of notification) 900,000 shares of common stock. Price—At par (10 cents per share). Proceeds—For investment. Office—450 So. Main St., Salt Lake City, Utah. Underwriter—Earl J. Knudson & Co., Salt Lake City, Utah.

Consolidated Edison Co. of New York, Inc. (1/27)

Dec. 23 filed a maximum of \$59,778,600 of convertible debentures due Aug. 15, 1973, to be offered for subscription by common stockholders at the rate of \$100 scription by common stockholders at the rate of \$100 principal amount of debentures for each 25 shares of stock held of record on Jan. 26, 1959; rights to expire on Feb. 13. Price—100% (flat). Proceeds—To repay short-term bank notes, and for additions to utility plant. Underwriters—Morgan Stanley & Co. and The First Boston Corp., both of New York.

Consumers Cooperative Association,
Kanas City, Mo.

Oct. 29 filed \$6,000,000 of 5½% 25-year subordinated certificates of indebtedness, and 60,000 shares of 5½% preferred stock (cumulative to extent earned before patronage refunds). Price—For certificates at \$100 per unit; and the preferred stock at \$25 per share. Proceeds

—For retirement of maturing certificates of indebtedness, redemptions on request of certificates of indebtedness, redemptions on request of certificates of indebtedness, redemptions on request of certificates of indebtedness prior to maturity and of 5½% preferred stock; the possible improvement and expansion of present facilities; and the acquisition of manufacturing plants and crude oil properties if favorable opportunities therefore arise. Underwriter—None.

Counselors Research Fund, Inc., St. Louis, Me. Feb. 5, 1958, filed 100,000 shares of capital stock, (par one cent). Price—At market. Proceeds—For investment. Underwriter — Counselors Research Sales Corp., St. Louis. Robert H. Green is President.

Cryogenic Engineering Co. Sept. 22 (letter of notification) 150,000 shares of class A common stock (par 10 cents). Price—\$2 per share. Proceeds — For repayment of loan; purchase of plant and office equipment; raw materials and supplies; and for working capital, etc. Office—U. W. National Bank Bldg., 1740 Broadway, Denver, Colo. Underwriter—L. A. Huey. Denver, Colo.

Common

\_Bonds

\_Bonds

Denbo Engineering & Sales Co., Inc.
Dec. 31 (letter of notification) 1,600 shares of class A common stock (no par) and 6,400 shares of class B common stock (no par) to be offered in units of one share of class A and four shares of class B stock. Price—\$125 per unit. Proceeds—For working capital. Office—3301 Martindale Avenue, Indianapolis, Ind. Under-

writer-None.

Derson Mines Ltd.
June 5 filed 350,000 shares of common stock. Frice per share. Proceeds—For new equipment, repayment loan, acquisition of properties under option, and corporate purposes. Office—Toronto, Canada, and porium, Pa. Underwriter—None.

Diversified Inc., Amarillo, Texas

Jan. 6 filed 300,000 shares of common stock (par 50 cents). Price—\$3 per share. Proceeds—For acquisition of undeveloped real estate, for organization or acquisition of consumer finance business, and balance to be used for working capital. Underwriter — Investment Service Co., Denver, Colo., on a best efforts basis.

Edgcomb Steel of New England, Inc.

Dec. 5 (letter of notification) 30,000 shares of class A common stock (par \$5). Price —\$10 per share. Proceeds

—To pay off current notes payable to bank and to increase working capital. Office — 950 Bridgeport Ave., Milford, Conn. Underwriter—None.

★ Electro-Voice, Inc., Buchanan, Mich.
Jan. 13 filed 150,000 shares of capital stock, of which 75,000 shares will be offered for the account of selling stockholders. Price — To be supplied by amendment. Proceeds — For working capital. Underwriter — F. S. Moseley & Co., Boston, Mass.

★ Erie Forge & Steel Corp.

Jan. 9 filed 237,918 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each four shares held. Price—To be supplied by amendment. Proceeds—To complete modernization and expansion program and for working capital. Underwriters—Lee Higginson Corp., and P. W. Brooks & Co., Inc., both of New York City.

Ethodont Laboratories, Berkeley, Calif.
Feb. 20, 1958, filed 300,000 shares of common stock. Price—At par (\$5 per share). Proceeds—To cover operating expense during the development period of the corporation. Underwriter—None.

• Federated Corp. of Delaware

Dec. 29 filed \$918,000 of 6% convertible subordinated debentures due 1968. The company proposes to effer \$210,000 of the debentures to purchase the capital stock of Consumers Time Credit, Inc., a New York company; \$442,000 of the debentures in exchange for Consumers debentures; and \$226,000 of the debentures in exchange for the outstanding 12% debentures of three subsidiaries of Federated. Office—1 South Main Street, Port Chester, N. Y. Underwriter—None.

Nov. 17 (letter of notification) \$300,000 of 10-year 6% senior subordinated debentures. Price—At par (in denominations of \$1,000 each). Proceeds — For working capital, to make loans, etc. Office—2104 "O" St., Lincoln, Neb. Underwriters — J. Cliff Rahel & Co. and Eugene C. Dinsmore, Omaha, Neb.

\* Fidelity Capital Fund, Inc., Boston, Mass. (2/9)
Jan. 12 filed 1,000,000 shares of capital stock, Price—\$12
per share. Proceeds — For investment, Distributors—
Hornblower & Weeks, Chicago, Ill., and The Crosby Corp., Boston, Mass.

Finance For Industry, Inc.

Dec. 16 filed 200,000 shares of class A common stock.

Price—At par (\$1.50 per share). Proceeds—For working capital. Office—508 Ainsley Bldg., Miami, Fla. Underwriter — R. F. Campeau Co., Penobscot Bldg., Detroit, Mich.

Florida Builders, Inc.
Dec. 1 filed \$4,000,000 of 6% 15-year sinking fund subordinated debentures and 40,000 shares of common stock, ordinated debentures and 40,000 shares of common stock, to be offered in units of \$100 principal amount of debentures and one share of common stock. Price — \$110 per unit. Proceeds—For purchase and development of subdivision land, including shopping site; for new equipment and project site facilities; for financing expansion program; and for liquidation of bank loans and the stock of the stoc other corporate purposes. Office—700 43rd St., South, St. Petersburg, Fla. Underwriter—None.

• Florida Public Utilities Co. (1/26-30) Jan. 7 filed 32,500 shares of cumulative convertible preferred stock (par \$20). Price — To be supplied by amendment. Proceeds—To finance part of company's construction program. Underwriters—White, Weld & Co., Starkweather & Co., both of New York; and Clement A. Evans & Co., Inc., Atlanta, Ga.

Fluorspar Corp. of America Oct. 14 (letter of notification) 133,333 shares of common stock (par 25 cents). Price—\$2.25 per share. Proceeds—For mining expenses. Office—4334 S. E. 74th Ave., Portland 6, Ore. Underwriter — Ross Securities Inc., New York, N. Y.

Fort Pierce Port & Terminal Co. Nov. 25 filed 2,138,500 shares of common stock (par \$1). Price-\$1.25 per share. Proceeds-To pay short-term loans and for completing company's Port Development Plan and rest added to general funds. Office — Forth Pierce, Fla. Underwriter—Frank B. Bateman, Ltd., Palm Beach, Fla.

\* Foundation Investment Corp., Atlanta, Ga.
Jan. 13 filed 231,988 shares of common stock to be offered for subscription by stockholders; unsold portion Continued on page 132

NEW ISSUE	CALENDAR
January 16 (Friday)  Hilton Credit Corp. Common (Offering to stockholders—underwritten by Carl M. Loeb, Rhoades & Co.) 1,927,383 shares  Israel Investors Corp. Common (No underwriter) 84,626,000 Common (Granberry, Marache & Co.) 12,000 shares  January 19 (Monday)  Gulf States Utilities Co. Bonds (Bids noon EST) \$10,000,000	Central Illinois Public Service CoBonds (Bids 11:30 a.m. EST) \$12,000,000  Consolidated Edison Co. of New York, IncDebs. (Offering to stockholders—to be underwritten by Morgan Stanley & Co. and The First Boston Corp.) \$59,778,000  January 28 (Wednesday)  Inland Steel CoBonds (Kuhu, Loeb & Co.) \$50,000,000  Northwest Natural Gas CoBonds (Lehman Brothers) \$7,000,000  February 2 (Monday)
Seiberling Rubber Co. Common  (Offering to stockholders—to be underwritten by Eastman Dillon, Union Securities & Co.) 106,841 shares  Spur Oil Co. Common  (Equitable Securities Corp.) 1,000,000 shares  January 20 (Tuesday)  Kaman Aircraft Corp. Debentures  (Paine, Webber, Jackson & Curtis) \$1,250,000  Rockland-Atlas National Bank of Boston Common  (Offering to stockholders—underwritten by The First Boston  Corp.) 40,000 shares  Southern California Edison Co. Common  (The First Boston Corp. and Dean Witter & Co.) 500,000 shares  Southern Natural Gas Co. Bonds	Blossman Hydratane Gas, Inc Debens. & Com.  (S. D. Fuller & Co. and Howard Weil, Labouisse, Friedrichs & Co.) \$1,200,000 debentures and 120,000 common shares  Connecticut Light & Power Co Common (Offering to stockholders—underwritten by Morgan Stanley & Co.; Putnam & Co.; Estabrock & Co.; and Chas. W. Scranton & Co.) \$15,000,000  February 3 (Tuesday)  Universal Oil Processes, Inc Common (Lenman Brothers; Smith, Barney & Co.; and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 2,900,000 shares  February 4 (Wednesday)  Southern Co Common (Bids 11:30 a.m. EST) 1,350,000 shares  February 9 (Monday)  Fidelity Capital Fund, Inc Common
Bids 11 a.m. EST) \$35,000,000  January 21 (Wednesday)  Borman Food Stores, Inc	(Hornblower & Weeks and The Crosby Corp.) \$12,000,000  Investors Research Fund, Inc
The state of the s	February 25 (Wednesday)

Bonds (Bids to be invited) \$25,000,000 February 25 (Wednesday) Illinois Bell Telephone Co .... (Bids to be invited) \$50,000,000 Common March 3 (Tuesday) \_\_Common Pacific Power & Light Co. (Bids to be invited) \_\_\_\_Common April 2 (Thursday) Rohr Aircraft Corp.

(The First Boston Corp. and Lester, Ryons & Co.) 300,000 shares
Ryder System, Inc.

(Common the lest boston Common the lest boston Corp. Gulf Power Co....Bonds
(Bids to be invited) \$7,000,000 Blyth & Co., Inc., 150,000 shares Common April 15 (Wednesday) Wisconsin Power & Light Co.
(Bids to be invited) \$14,000,000 Bonds April 30 (Thursday) Mobile Gas Service Corp.

Common (Offering to stockholders—underwritten by H. Hentz & Co.)

Mobile Gas Service Corp.

Common (Offering to stockholders—underwriten by The First Boston Corp. and Robinson, Humphrey & Co.) 33,000 shares

National State Bank

Common (Offering to stockholders—underwriten by The First Boston Corp. and Robinson, Humphrey & Co.) 33,000 shares Alabama Power Co.\_\_\_\_\_\_(Bids to be invited) \$20,000,000 Bonds May 28 (Thursday) Southern Electric Generating Co ... Bonds (Bids to be invited) \$25,000,000

National State Bank
(Offering to stockholders—underwritten by Clark, Dodge & Co.)

84,000,000 January 26 (Monday) Virginia Electric & Power Co.\_\_\_\_Cor (Bids to be received) \$20,000,000 to \$25,000,000 Arnold Altex Aluminum Co ..... (Cruttenden, Podesta & Co.) 250,000 shares Central Hudson Gas & Electric Corp. Common (Kidder, Peabody & Co.) 350,000 shares 

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Florida Public Utilities Co. Preferred
(White, Weld & Co.; Starkweather & Co.; and
Clement A. Evans & Co., Inc.) \$650,000

Holiday Inns of America, Inc. (Offering to stockholders—underwritten by Equitable Securities Corp.) 35,298 shares Transcontinental Gas Pipe Line Corp.

January 22 (Thursday)

January 23 (Friday)

Carraco Oil Co.\_\_\_\_\_ & Co.) \$300,000

Heliogen Products, Inc.
(Albion Securities Co.) \$144,000

Jet-Aer Corp.

Jet-Aer Corp. (No underwriter) \$100,000

Home Owners Life Insurance Co .\_\_

(White, Weld & Co and Stone & W Securities Corp. )\$35,000,000 Wen Wood Organizations, Inc. (Michael G. Kletz & Co., Inc.) \$300,000 Common

January 27 (Tuesday) Avco Manufacturing Corp.

Offering to stockholders-underwritten by Lehman Brothers and Emanuel, Deetjen & Co.) \$15,000,000 \_Debentures **Postponed Financing** 

June 2 (Tuesday)

June 25 (Thursday)

September 10 (Thursday)

(Bids to be invited) \$18,000,000

Montana Power Co.\_\_\_\_\_(Bids to be invited) \$20,000,000 \_Bonds Pennsylvania Power Co .\_ (Bids to be invited) \$8,000,000

to be offered publicly, Price—\$12.50 per share. Proceeds
—To repay notes. Underwriter—None,

Franklin Custodian Funds, Inc., New York Jan. 8 filed (by amendment) an additional 200,000 of Special Series Shares. Price—At market. Proceeds—For

Gas Light Co. of Columbus

Dec. 30 (letter of notification) 15,000 shares of common working capital. Office — \$19 per share. Proceeds—For working capital. Office — 107 13th St., Columbus, Ga.

Reneral Alloys Co.

Nov. 17 (letter of notification) 45,250 shares of common atock (par \$1) of which 16,900 shares are to be offered to employees and the remainder to the public. Price—To employees, \$1.1805 per share. Proceeds—To purchase and install machinery and equipment. Office—367-405 West First St., Boston, Mass. Underwriter—William S. Prescott & Co., Boston, Mass.

General Aniline & Film Corp., New York
Jan. 14, 1957 filed 426,988 shares of common A stock (ne par) and 1,537,500 shares of common B stock (par \$1)
Proceeds—To the Attorney General of the United States
Underwriter—To be determined by competitive bidding
Probable bidders: Blyth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co.; Lehman
Brothers, and Glore, Forgan & Co. (jointly). Bids—Hadbeen scheduled to be received up to 3:45 p.m. (EDT) on
May 13 at Room 654, 101 Indiana Ave., N. W., Washington 25, D. C., but bidding has been postponed.

• Government Employees Variable Annuity Life Insurance Co. (2/12) Nov. 13 filed 2,500,000 shares of common stock (par \$1) to be offered by company on or about Feb. 12, 1959, viz: (1) to holders of common stock (par \$4) of Government Employees Insurance Co., on the basis of one warrant per share of stock held on Jan. 30, 1959 (1,334,570 shares are now outstanding); (2) to holders of common stock (par \$1.50) of Government Employees Life Insurance Co., on the basis of 1½ warrants per share of stock held on Jan. 30, 1950 (216,420 shares are share of stock held on Jan. 30, 1959 (216,429 shares are now outstanding); and (3) to holders of common stock (par \$5) of Government Employees Corp., on the basis of ½ warrant per share of stock held on Jan. 30, 1959 (as of Sept. 30, 1958 there were 143,127 shares of stock outstanding and \$614,360 of 5% convertible capital debentures due 1967, convertible into chares of common at \$28.0374 per share. If all these debentures were converted into common stock prior to the record date, a total of 164,724 common shares would be outstanding. Warrants will expire on Feb. 27, 1959. Price—\$3 per share. Proceeds—For capital and surplus. Office — Government Employees Insurance Building, Washington, D. C. Underwriters — Johnston, Lemon & Co., Washington, D. C.; Eastman Dillon, Union Securities & Co., New York; and Abacus Fund, Boston, Mass.

Grain Elevator Warehouse Co. Nov. 3 filed 100,000 outstanding shares of common stock (par 10 cents). National Alfalfa Dehydrating & Milling Co., holder of the 100,000 common shares, proposes to offer to its stockholders preferential warrants to subscribe to 98,750 shares of Grain Elevator stock on the basis of one warrant to purchase one-eighth share of Grain Elevator stock for each share of National Alfalfa common held on Nov. 17, 1958; rights to expire Dec. 31.

Price—\$2 per share. Proceeds—To selling stockholder.

Office—927 Market Street, Wilmington, Del. Under-

writer-None.

• Grand Union Co. Oct. 29 filed 187,534 shares of common stock (par \$5) being offered in exchange for outstanding common stock of Sunrise Supermarkets Corp. at the rate of one share of Grand Union stock for each 2.409 shares of Sunrise stock. The offer was declared effective as of Dec. 31, 1958, and has been extended.

Great American Publications, Inc.
Dec. 15 (letter of notification) 130,000 shares of common stock (par 10 cents), of which 30,000 shares will be offered for 30 days to the company's employees, and to the company's news dealers, wholesalers and disand their employees at \$1.65 per share; and 100,000 shares will be offered to general public at \$2 per share. Proceeds-To satisfy creditors' claims and for general corporate purposes. Office-41 E. 42nd St., New York 17, N. Y. Underwriter—Mortimer B. Burnside & Co., Inc., New York 5, N. Y.

Guaranty Life Insurance Co. of America Nov. 14 filed 88,740 shares of class A common capital stock (par \$1.80). Price—\$5.35 per share. Proceeds—To increase capital and surplus. Office—815 15th Street. N. W., Washington, D. C. Underwriter-None. Statement effective Dec. 19.

Gulf States Utilities Co. (1/19)
Dec. 11 filed \$10,000,000 of first mortgage bonds due 1989. Proceeds-To repay bank loans and for construction program. Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith and White Weld & Co. (jointly): Stone & Webster Securities Corp.; and Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). Bids-Expected to be received up to noon (EST) on Jan. 19 at The Hanover Bank, 70 Broadway, New York 15, N.Y.

Hamilton Oil & Gas Corp. Oct. 22 filed 1,000,000 shares of common stock (par 25 cents). Price-\$2 per share. Proceeds-To acquire funds to test drill, explore, and develop oil and gas properties Underwriter-None. [The registration includes an additional 588,000 common shares issuable upon exercise of 1,176,000 options rights previously offered (Oct. 19,

1957), which rights entitle the original purchaser thereof to purchase one-half share of stock at 50 cents per share at the expiration of 13 months after commencement of such offering.]

Heartland Development Corp.
Oct. 23 (letter of notification) 22,820 shares of nonvoting convertible preference stock (par \$12) to be offered for subscription by stockholders on the basis of one share of convertible preference stock for each 10 shares of common stock held on or about Nov. 1, 1958. Stockholders will have 45 days in which to exercise the rights. Price — At par. Proceeds — To repay debts, acquisition of investments, and for general purposes. Address—P. O. Box-348, Albany, N. Y. Under-

• Heliogen Products, Inc. (1/22-26)
Oct. 22 (letter of notification) 28,800 shares of common stock (par \$1). Price-\$5 per share. Proceeds-For payment of past due accounts and loans and general working capital. Office — 35-10 Astoria Blvd., L. I. C. 3, N. Y. Underwriter—Albion Securities Co., Suite 1512, 11 Broadway, New York 4, N. Y.

Highland Telephone Co. Dec. 29 (letter of notification) 2,250 shares of common stock (no par) to be offered for subscription by common stockholders. Price — \$45 per share. Proceeds — To repay bank loans and for construction of a new telephone plant. Office-145 North Main St., Monroe, N. Y. Underwriter-None.

Highway Trailer Industries, Inc. Nov. 24 filed 473,000 outstanding shares of common stock (par 25 cents). Price—At prices generally prevailing on the American Stock Exchange. Proceeds—To selling stockholders. Office—250 Park Avenue, N. Y.

Underwriter-None.

• Hilton Credit Corp., Beverly Hills, Calif. (1/16) Dec. 18 filed 1,927,383 shares of common stock (par \$1) to be offered for subscription by common stockholders of record Jan. 15 of Hilton Hotels Corp. at the rate of one share of Hilton Credit stock for each two shares of Hilton Hotels stock; rights to expire on Feb. 2. Price-\$3.25 per share. Proceeds — Together with bank loans, will comprise the operating funds of Hilton Credit and will be used for general corporate purposes and to finance the company's purchase of charge accounts from Hilton Hotels and other establishments who may agree to honor Carte Blanche cards. Underwriter — Carl M. Loeb, Rhoades & Co., New York.

Hinsdale Raceway, Inc., Hinsdale, N. H. Dec. 29 filed capital trust certificates evidencing 1,000,-000 shares of capital stock, and 2,000 debenture notes. Price—The common stock at par (\$1 per share) and the notes in units of \$500 each. Proceeds—For construction of a track, including land, grandstand, mutual plant building, stables and paddock, dining hall, service building, administrative building, penthouse, tote board and clubhouse. Underwriter-None.

Hoagiand & Dodge Drilling Co., Inc.
June 12 filed 27,000 shares of capital stock. Price—\$10 per share. Proceeds—To be used in part for the exploration of mines and development and operation of nines and in payment of indebtedness. Office—Tucson Ariz. Underwriter-None.

Holiday Inns of America, Inc. (1/26-30) Dec, 30 filed 35,298 shares of common stock, to be offered for subscription by common stockholders (other than the Board Chairman and President and their families) at the rate of one new share for each four shares held. Price-To be supplied by amendment. Proceeds-In addition to other funds, to be added to working capital and to complete the current portions of construction costs. Underwriter—Equitable Securities Corp., Nashville, Tenn.

\* Holiday Mines, Inc. Dec. 31 (letter of notification) 30,000 shares of common stock. Price-At par (\$1 per share). Proceeds-For mining expenses. Office—c/o Edward Goldberg, President, 2093 N. Lake Way,, Bremerton, Wash. Underwriter—

Home Owners Life Insurance Co. (1/23) Dec. 19 filed 153,840 shares of common stock to be oftered for subscription by stockholders (for a 14-day standby) on the basis of one additional share for each

two shares held as of Jan. 23, 1959 (with a 15-day stand-

by). Price-To be supplied by amendment. Proceeds-

For working capital. Office — Fort Lauderdale, Fla. Underwriter—H. Hentz & Co., New York. Offering—Ex-

pected late in January.

Home-Stake Production Co., Tulsa, Okla. Nov. 5 filed 116,667 shares of common stock (par \$5). Price-\$6 per share. Proceeds-For working capital and general corporate purposes. Office - 2202 Philtower

Bldg., Tulsa, Okla. Underwriter-None. I. C. P. Israel Citrus Plantations Ltd. Dec. 23 filed 750,000 shares of common stock. Price-\$1 per share. Proceeds-To be used for new packing houses, for purchase of citrus groves and for the planting of new groves. Office—Tel Aviv, Israel. Underwriters—None.

Indiana & Michigan Electric Co. (1/21) Sept. 26 filed \$20,000,000 of first mortgage bonds due Nov. 1, 1988. Proceeds-To retire bank loans used for construction program. Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; The First Boston Corp.; Harriman Ripley & Co. Inc. Bids-Expected to be received up to 11 a.m. (EST) on Jan. 21.

Industrial Minerals Corp., Washington, D. C. July 24 filed 600,000 shares of common stock (par one cent). Price-\$1 per share. Proceeds-To develop and perate graphite and mica properties in Alabama. I'n. terwriters-Dearborn & Co. and Carr-Rigdom & Co.,

both of Washington, D. C., on a best efforts basis. State. ment effective Nov. 18.

Industro Transistor Corp. (N. Y.) (1/19-23) Feb. 28, 1958, filed 150,000 shares of common stock (par 10 cents); reduced to 135,000 shares by amendment subse. quently filed. Price-To be related to the market price, Proceeds—For working capital and to enlarge research and development department. Underwriter-S. D. Fuller & Co., New York.

★ Inland Steel Co. (1/28)
Jan. 8 filed \$50,000,000 of first mortgage bonds, series
L, due Feb. 1, 1989. Price—To be supplied by amendament. Proceeds—For working capital and capital expensions. ditures. Underwriter-Kuhn, Loeb & Co., New York.

International Bank, Washington, D. C.

Dec. 29 filed \$5,000,000 of notes (series B, \$500,000, two-year, 3% per unit; series C, \$1,000,000, four-year 4% per unit; and series D, \$3,500,000, 6-year, 5% per unit). Price —100% of principal amount. Proceeds — For working capital. Underwriter—Johnston, Lemon & Co., Washington ington, D. C.

Investment Corp. of Florida Oct. 9 (letter of notification) 55,555 shares of common stock (par two cents). Price-\$4.50 per share. Proceeds —For capital account and paid-in surplus. Office—Atlantic Federal Building, 1750 E. Sunrise Boulevard, Ft. Lauderdale, Fla. Underwriter-None.

Investors Research Fund, Inc. (2/9) Jan. 9 filed 490,940 shares of common stock. Price—\$12 per share. Proceeds—For investment. Office—922 Laguna St., Santa Barbara, Calif. Investment Advisor-Investors Research Co., Santa Barbara, Calif. Underwriter -Bache & Co., New York.

Israel Investors Corp. (1/16-19) Dec. 1 filed 46,260 shares of common stock. Price—\$100 per share. Proceeds—For investment. Office—19 Rector Street, New York, N. Y. Underwriter—None.

\* Israel (The State of) Jan. 8 filed \$300,000,000 of second development bonds, part to consist of 15-year 4% dollar coupon bonds (to be issued in five series maturing serially from March 1, 1974 to March 1, 1978) and 10-year dollar savings bonds (each due 10 years from first day of the month in which issued). Price—100% of principal amount. Proceeds—For improvements, etc. Underwriter—Development Corp. for Israel, 215 Fourth Ave., New York City.

Nov. 28 (letter of notification) 200,000 shares of common stock (par 10 cents). Price—\$1 per share. Proceeds—To acquire machinery and equipment and additional space for test laboratories; and for working capital. Office—4 Manhasset Ave., Port Washington, L. I., N. Y. Underwriter — B. Fennekohl & Co., 205 East 85th St., New York, N. Y.

 Jet-Aer Corp., Paterson, N. J. (1/22) Dec. 5 (letter of notification) 10000 shares of class A common stock (par \$1.50). Price — \$10 per share. Proceeds-For purchase of modern automatic filling equipment and for marketing and advertising program. Office -85-18th Ave., Paterson, N. J. Underwriter-None.

Maman Aircraft Corp., Bloomfield, Conn. (1/20) Dec. 15 filed \$1,250,000 of 6% convertible subordinated debentures due 1974. Price—To be supplied by amendment. Proceeds—For working capital. Underwriter—Paine, Webber, Jackson & Curtis, Boston, Mass.

Kimberly-Clark Corp. Dec. 30 filed 225,000 shares of common stock to be offered in exchange for the common stock of the American Envelope Co. of West Carrollton, Ohio, on the basis of three-quarters of a share of Kimberly stock for each share of American. The offer will expire on Feb. 27, 1959. The exchange is contingent on acceptance by all of the stockholders.

\* Knob Hill Finance Co. Jan. 7 (letter of notification) 1,500 shares of 6% cumulative preferred stock. Price—At par (\$100 per share).

Proceeds—For working capital. Office—2312 E. Bijou
St., Colorado Springs, Colo. Underwriter—None.

Laure Exploration Co., Inc., Arnett, Okla. 23 filed 400,000 shares of common stock per share. Proceeds-For machinery and equipment and exploration purposes. Underwriter-None.

Life Insurance Securities Corp. March 28, 1958, filed 1,000,000 shares of capital stock (par \$1). Price—\$5 per share. Proceeds—To acquire stock control of "young, aggressive and expanding life and other insurance companies and related companies and then to operate such companies as subsidiaries." Underwriter-First Maine Corp., Portland, Me.

Los Angeles Drug Co. Oct. 3 filed 50,000 shares of capital stock, to be offered for subscription by holders of outstanding stock, on a pro rata basis. Any shares not so sold will be offered on an exchange basis to holders of outstanding 5% sinking fund debentures. Price—\$10.50 per share to stockholders; \$11.50 to public. Proceeds—\$328,300 to redeem outstanding 5% sinking fund debentures and \$189,200 to reduce short term bank loans. Office—Los Angeles, Calif. Underwriter—Quincy Cass Associates, Los Angeles, Calif.

LuHoc Mining Corp.
Sept. 29 filed 350,000 shares of common stock. Price-\$1 per share. Proceeds - For the acquisition of properties under option and for various geological expenses, test drilling, purchase of equipment, and other similar pur-poses. Offices—Wilmington, Del., and Emporium, Pa Underwriter-None.

M. C. A. Credit Co., Inc., Miami, Fla. Oct. 6 filed 100,000 shares of common stock. Price-\$5 per share. Proceeds-To reduce current indebtedness to

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alter E. Heller & Co. Underwriter-Plymouth Bond Share Corp., Miami, Fla.

an, 6 (letter of notification) 600 shares of common tock to be offered for subscription by stockholders of ecord Jan. 10, 1959 on the basis of one share of addiecord Jan. 10, 1939 on the basis of one share of addi-ional common stock for each five shares held; rights to xpire on Jan. 30, 1959. Price—At par (\$100 per share). rocceds—For inventory and working capital. Office— 026 N. Main Street, Goshen, Ind. Underwriter—None.

Mammoth Mountain Inn Corp.

ec. 10 (letter of notification) 70,000 shares of common tock (par \$5). Price \$5.50 per share. Proceeds—To be sed to build and operate and all-year resort hotel. Office—Suite 204, 8907 Wilshire Blvd., Beverly Hills, Calif. Inderwriter—None. Letter to be amended.

Massachusetts Investors Growth Stock

Fund, Inc. an. 12 filed 5,000,000 shares of capital stock. Price—At narket. Proceeds For investment,

Merchants Petroleum Co.

Oct. 8 (letter of notification) 159,395 shares of common tock (par 25 cents) being offered for subscription by tockholders of record Nov. 24, 1958 on the basis of one new share for each five shares held; rights to expire an. 15, 1959 (with an oversubscription privilege), Price \$1.40 per share. Proceeds — To reduce bank loan; o increase working capital and for general corporate purposes. Office—617 W. 7th Street, Los Angeles, Calif. Inderwriter-None.

Metropolitan Mines Corp., Ltd., Wallace, Idaho Dec. 29 (letter of notification) 250,000 shares of class A ommon stock. Price—At par (10 cents per share).
Proceeds—For mining expenses. Underwriter—None.

Meyer-Blanke Co. Dec. 29 (letter of notification) 13,500 shares of common tock (no par). Price—At the market (Midwest Stock Exchange). Proceeds—To selling stockholders. Office—110 Russell St., St. Louis, Mo. Underwriter—Smith Moore Co., St. Louis, Mo.

Mid-Atlantic Marins, Inc., Baltimore, Md.

Oct. 28 (letter of notification) 60,000 shares of 7% preterred stock (par \$3.50). Price—\$5 per share. Proceeds—
For construction of a marina. Office — Room 104, Old
Town Bank Bldg., Baltimore 2, Md. Underwriter—Maryland Securities Co., Baltimore, Md.

• Military Publishing Institute, Inc.
Dec. 9 (letter of notification) 125,000 shares of common stock (par 5 cents). Price—\$2 per share. Proceeds— For general corporate purposes and working capital. Office—55 West 42nd Street, New York 36, N. Y. Under-writer—C. H. Abraham & Co., Inc., 565 Fifth Ave., New York 17, N. Y. Offering—Expected in latter part of January or early in February.

Millsap Oil & Gas Co. Dec. 23 filed 602,786 shares of common stock. Price—\$1 er share. Proceeds — For additional working capital. Office—Siloam Springs, Ark. Underwriter—None.

Mississippi Chemical Corp., Yazoo City, Miss. Dec. 24 filed 200,000 shares of common stock (par \$5) and 8,000 shares of special common stock (par \$75). Price—For common stock, \$8.75 per share; for special common stock, \$131.25 per share. Proceeds—For construction program, to purchase shares of Coastal Chemical Corp. (a subsidiary), and the balance will be added to surplus. Underwriter—None.

Mobile Gas Service Corp. (1/23) Dec. 30 filed 33,000 shares of common stock (par \$5) to be offered for subscription by common stockholders at the rate of one new share for each 10 shares held of record Jan. 21, 1959 (with an oversubscription privilege); rights to expire Feb. 9, 1959. Price—To be supplied by amendment, Proceeds—To reduce short-term bank loans incurred for the extension and improvement of gas distribution system. Underwriters — The First Boston Corp., New York, and The Robinson-Humphrey Co., Inc., Atlanta, Ga

Montana Power Co. July 1 filed \$20,000,000 of first mortgage bonds due 1988. Proceeds - Together with other funds, to be used to repay \$15,500,000 in bank loans and to carry on the company's construction program through 1959. Underriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Eastman Dillon, Union Securities, & Co.; Kidder Peabody & Co., Smith, Barney & Co. and Blyth & Co., Inc. (jointly). Bids—Had been expected to be received up to noon (EDT) on Aug. 26 at Room 2033, Two Rector St., New York, N. Y., but company on Aug. 22 again decided to defer sale pending improvement in market conditions.

Montana Power Co. July 1 filed 100,000 shares of common stock (no par). The stock will be offered only to bona fide residents of Montana. Price—To be related to the current market price on the New York Stock Exchange. Proceeds—Together with other funds, to carry on the company's construction program through 1959. Manager-Dealers—Smith, Barney & Co., Kidder, Peabody & Co. and Blyth & Co., Inc.

\* Mutual Service Cooperative Jan. 2 (letter of notification) 396 shares of common stock. Price—At par (\$10 per share). Proceeds — For working capital. Office—1919 University Ave., St. Paul, Minn, Underwriter-None.

National Theatres, Inc., Los Angeles, Calif.

Dec. 30 filed \$20,000,000 5½% sinking fund subordinated debentures due March 1, 1974 and 485,550 common stock purchase warrants to purchase 121,387 shares of \$1 par

common stock to be offered in exchange for National Telefilm Associates, Inc. common stock at the rate of \$11 of debentures and one warrant to purchase onequarter of a share of National Theatres, Inc. stock for each NTA share. Dealer-Managers—Cruttenden, Podesta & Co., Cantor, Fitzgerald & Co., Inc. and Westheimer

Naylor Engineering & Research Corp. Sept. 29 (letter of notification) 300,000 shares of cumulative voting and non-assessable common stock. Price—At par (\$1 per share). Proceeds—For organizational expenses and first three months' operational expenses. Office—1250 Wilshire Blvd., Los Angeles 17, Calif. Underwriter—Waldron & Co., San Francisco 4, Calif.

Nedow Olf Tool Co. May 5 (letter of notification) 150,800 shares of common stock (par one cent). Price—\$2 per share. Proceeds—To pay loan; to acquire fishing tools for leasing; and for working capital. Office—931 San Jacinto Bidg., Houston, Tex. Underwriter—T. J. Campbell Investment Co., Inc., Houston, Tex.

\* Nekoosa-Edwards Paper Co.
Jan. 6 (letter of notification) 6,521 shares of class A common stock (par \$10) and 6,521 shares of class B common stock (par \$10) to be offered to employees in units of one share of each class of stock. Price-At the nearest quarter of a point above 95% of the market price at the date of grant of option (which ranges from \$44.25 to \$38.25 per share). Proceeds—For general corporate purposes. Office—c/o John E. Alexander, President, 311 Wisconsin River Drive, Port Edwards, Wis. Underwriter None.

Nelly Don, Inc. Jan. 9 filed 52,600 outstanding shares of common stock. Price - To be supplied by amendment. Proceeds selling stockholders. Office — 3500 E. 17th Street, Kansas City, Mo. Underwriters—Stern Brothers & Co. and Barret, Fitch, North & Co., Inc., both of Kansas City, Mo.

New Jersey investing Fund, Inc., New York Dec. 9 filed 200,000 shares of capital stock. Pricemarket. Proceeds—For investment, Investment Adviser and Distributor-Spear, Leeds & Kellogg, New York.

Northern Insurance Co. of New York Dec. 5 filed 145,200 additional shares of capital stock (par \$12.50) being offered for subscription by stockholders of record Dec. 23, 1958, at the rate of one new share for each two shares then held; rights to expire on Jan.

19. Price—\$36 per share. Proceeds—To increase capital and surplus. Underwriters—The First Boston Corp. and Wood, Struthers & Co., both of New York.

• Northwest Natural Gas Co. (1/28) Jan. 7 filed \$7,000,000 of first mortgage bonds due Feb. 1, 1984. Price—To be supplied by amendment. Proceeds To be used for partial payment of bank loans. Underwriter-Lehman Brothers, New York.

Nucleonics, Chemistry & Electronics Shares, Inc. Jan. 12 filed (by amendment) an additional \$3,000,000 monthly investment plans with and without insurance and single investment plans. Office—Englewood, N. J.

**Nylonet Corp.** Nov. 24 (letter of notification) 600,000 shares of common stock (par 10 cents). Price—50 cents per share. Proceeds.—For working capital. Office—20th Ave., N. W. 75th St., Miami, Fla. Underwriter-Cosby & Co., Clearwater, Fla.

Oak Ridge, Inc. ept. 4 (letter of notification) 100,000 shares of common stock (par \$1). Price — \$3 per share. Proceeds — For working capital. Office—11 Flamingo Plaza, Hialeah, Fla. Underwriter — Henry & Associates, Inc., 11 Flamingo Plaza, Hialeah, Fla.

O. K. Rubber Welders, Inc. Dec. 15 filed 60,600 shares of common stock, \$43,333.33 of 31/4% debentures maturing on or before May 6, 1965, \$692,000 of 6% debentures maturing on or before Dec. 31, 1974 and \$123,000 of 7% debentures due on or before May 6, 1965. The company proposes to make a public offering of 25,000 shares of common stock at \$10 per share. The remaining shares and the debentures are subject to an exchange offer between this corporation O. K. Rubber, Inc., and O. K. Ko-op Rubber Welding System, on an alternative basis. **Proceeds**—Of the public offering, will be used for additional working capital art551 Rio Grande Ave., Littleton, Colo. Underwriter-None.

Odlin Industries, Inc. Nov. 12 filed \$250,000 of 51/2% convertible debentures and 250,000 shares of common stock (par 10 cents). Price -Debentures at 100% and stock at \$3 per share. Proceeds-To purchase a textile mill, machinery, equipment and raw materials, and to provide working capital. Office
—375 Park Ave., New York, N. Y. Underwriter—Harris
Securities Corp., New York, N. Y., on a best efforts basis.

Oil, Gas & Minerals, Inc.
Nov. 16 (letter of notification) 116,000 shares of common stock (par 35 cents). Price—\$1 per share. Proceeds—For development of oil and gas properties. Office—513 International Trade Mart, New Orleans 12, La. Underwriter-Assets Investment Co., Inc., New Orleans, La.

Oppenheimer Fund, Inc. Dec. 5 filed 100,000 shares of capital stock. Price-At market (about \$10 per share). Proceeds-For investment. Office—25 Broad St., New York. Underwriter— Oppenheimer & Co., New York. Offering—Expected sometime in February.

• Pacific Automation Products, Inc. (1/21) Dec. 31 filed 60,000 shares of capital stock (par \$1). Price—To be supplied by amendment. Proceeds—To selling. stockholders. Underwriter-William R. Staats & Co., Los Angeles, Calif.

Paramount Mutual Fund, Inc. Jan. 2 filed 300,000 shares of capital stock. Price—Minimum purchase of shares is \$2,500. Proceeds—For investment. Office—404 North Roxbury Drive, Beyerly Hills, Calif. Underwriter—Paramount Mutual Fund Manage.

ment. Co.

Peckman Plan Fund, Inc., Pasadens, Calif.
May 19 filed 20,000 shares of common stock (par \$1).
Price—At market. Proceeds—For investment. Underwriter—Investors Investments Corp., Pasadena, Calif.

Permsylvania Power Co.

Aug. 1 filed \$8,000,000 of first mortgage bonds due 1952.

Proceeds—To redeem a like amount of 5% first mortgage bonds due 1987. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuars & Co. Inc.; Kidder, Peabody & Co.; White Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers, Eastman Dillon, Union Securities & Co., Salomon Bros. & Hutzler and Ladenburg, Thalmana. & Co. (jointly): Merrill Lynch, Pierce, Fenner & Smith. & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Dean Witter & Co. (jointly). Bids — Tentatively had been expected to be received up to 11 a.m. (EDT) on Aug. 27 but company on Aug. 22, decided to defer sale pending improvement in market conditions.

Pennsylvania Power & Light Co. Dec. 17 filed 295,841 shares of common stock (no par) being offered by the company for subscription by its com-mon stockholders of record Jan. 6, 1959, at the rate of one new share for each 20 shares then held; rights to expire on Jan. 26. Employees will be given a contingent subscription privilege. Price—\$50 per share. Proceeds—To be added to the general funds of the company and used for general corporate purposes. Underwriters—The First Boston Corp., New York, and Drexel & Co., Philadelphia Pa Philadelphia, Pa.

Pioneer Trading Corp., Bayonne, N. J. Nov. 10 filed 10,000 shares of \$8 cumulative preferred stock, series A (par \$100) and \$1,000,000 of 8% subordin ated debentures, series A, due Dec. 1, 1968 to be offered in units of a \$500 debenture and five shares of preferred stock. Price—\$1,000 per unit. Proceeds — For general corporate purposes. Underwriter—None.

Plastic Applicators, Inc. Dec. 29 (letter of notification) \$150,000 of 6% convertible sinking fund debentures due Jan. 2, 1969 and 30,000 shares of common stock (par \$1). Price—Of debentures. at par; of stock, \$5 per share. Proceeds — To purchase new equipment and for working capital. Office—7020 Katy Rd., Houston, Tex. Underwriter—A. G. Edwards & Sons, St. Louis 1, Mo.

Prairie Fibrebeard Ltd.

Aug. 18 filed 209,993 shares of common stock (par \$1.50) to be offered for sale to residents of Canada in the Provinces of Manitoba, Saskatchewan and Alberta and to residents of the United States "only in the State of North Dakota." Price—\$3 per share. Proceeds—For construction purpose. Office—Saskatoon, Saskatchewan, Canada. Underwriter—Allied Securities Ltd., and United Securities, Ltd., both of Saskatoon, Canada.

June 26 filed \$1,000,000 of 15-year 6% series A sinking fund debentures due 1973, to be offered in denominations of \$500 and \$1,000. Price—At par. Proceeds—For work ing capital and general corporate purposes. Underwriter—Rassco Israel Corp., New York, on a "best efforts"

Reme Corp., Orlande, Fig.
Sept. 22 filed 100,000 shares of class A common stock.
Price—To be supplied by amendment. Proceeds—Forworking capital. Underwriter — Citrus Securities Co.,

Reynolds Metals Co. Jan. 12 filed 550,000 shares of second preferred stock, convertible series (par \$100). Price-To be supplied by amendment. Proceeds—To be used to the extent required to reimburse the company's treasury for the cost of acquisition of ordinary stock of The British Aluminum Co. Ltd. and to meet the cost of any additional acquisition of such stock. Underwriters—Dillon, Read & Co. Inc., Reynolds & Co. Inc., and Kuhn, Loeb & Co., all of New York. Offering—Expected sometime in February.

Richwell Petroleum Ltd., Alberta, Canada June 26 filed 1,998,716 shares of common stock (par \$1) Of this stock, 1,174,716 shares are to be sold on behalf of the company and 824,000 shares for the account of certain selling stockholders. The company proposes to offer the 1,174,716 shares for subscription by its shareholders at the rate of one new share for each three shares held (with an oversubscription privilege). The subscription period will be for 30 days following issuance of subscription rights. Price—To be supplied by amendment. Proceeds—To pay off demand note, to pay other indebt-edness, and the balance if any will be added to working capital. Underwriter—Pacific Securities Ltd., Vancouver, Canada.

• Rochester Telephone Corp.

Dec. 18 filed 195,312 shares of common stock (par \$10) being offered for subscription by common stockholders of record Jan. 9, 1959 on the basis of one new share for each six shares then held; rights to expire on Jan. 26. Price—\$21 per share. Proceeds—To repay bank borrowings. Underwriter—The First Boston Corp., New York.

Rohr Aircraft Corp. (1/22) Dec. 29 filed 300,000 shares of additional common stock (par \$1). Price—To be supplied by amendment. Proceeds—To reduce short-term bank loans and to increase working capital. Underwriters—The First Boston Corp., New York, and Lester, Ryons & Co., Los Angeles, Continued on page 134

Sept. 22 filed \$1,000,000 of 10-year 6% cumulative convertible debentures and 99,998 shares of common stock Price—Of debentures, at par (in units of \$100 each), and of stock, \$1 per share. Proceeds — For investments and working capital. Office—Alexandria, Va. Underwriter—None.

\* Royal McBee Corp.

Jan. 6 filed 94,726 shares of common stock, to be offered under the company's Employee Stock Option and

Dec. 29 filed 250,000 shares of common stock (par 2½ cents), to be offered for subscription by common stock-helders at the rate of one new share for each four shares held. Price—\$2.50 per share. Proceeds—For additional working capital. Office—South St. Paul, Minn. Underwriter—None.

St. Regis Paper Co.

Dec. 11 filed 288,450 shares of common stock (par \$5), being offered in exchange for outstanding shares of capital stock of F. J. Kress Box Co. on the basis of 2½ Shares of St. Regis common for each share of capital stock of Kress. St. Regis will declare the exchange offer effective if 95% of the outstanding shares of Kress stock are deposited in exchange and may elect to do so if a lesser per cent, but not less than 80%, of Kress shares, are so deposited. Statement effective Dec. 29, 1958.

Sen Diego Imperial Corp., San Diego, Calif.
Dec. 9 filed 845,000 shares of common stock, to be offered in exchange for all of the 45,000 outstanding shares
of capital stock of Silver State Savings & Loan Association and 3,000 shares of capital stock of Silver State Insurance Agency, Inc., both of Denver, Colo.

Seiberling Rubber Co. (1/19)

Dec. 23 filed 106,841 shares of common stock to be offered to common stockholders on the basis of one new share for each four shares held of record Jan. 19, 1959; rights to expire on Feb. 4. Price—To be supplied by amendment. Proceeds — Together with a proposed \$3,000,000 term loan, will be used for general corporate purposes including working capital, Underwriter—Eastman Dillon, Union Securities & Co., New York.

Service Life Insurance Co.
Sept. 26 (letter of notification) 3,567 shares of common stock (par \$1). Price—\$18.75 per share. Proceeds—To se to a selling stockholder. Office—400 W. Vickery Blvd., Fort Worth, Tex. Underwriter—Kay & Co., Inc., Houston, Tex.

Shares in America, Inc., Washington, D. C. Dec. 12 filed 50,000 shares of common stock. Price—At market. Proceeds—For investment. Office — 1033-30th St., N. W., Washington 7, D. C. Investment Advisor—Investment Fund Management Corp.

Sheridan-Belmont Hotel Co.

Aug. 19 (letter of notification) \$250,000 of 6% convertible debentures due Sept. 15, 1963 to be offered for subscription by common stockholders on a pro rata basis. Price—At par. Proceeds—For working capital. Office — 3172 North Sheridan Rd., Chicago 14, Ill. Underwriter—None

Sire Plan of Elmsford, Inc., New York

Nov. 10 filed \$250,000 of 6% 10-year debentures and 5,000 shares of 6% participating preferred stock (par \$50)
to be offered in units of a \$50 debenture and one share
of preferred stock. Price—\$100 per unit. Proceeds—For
acquisition of motels. Underwriter—Sire Plan Portfolios,
Inc., New York.

Slick Oil Corp., Houston, Texas

Dec. 8 filed \$1,500,000 of participating interests in the corporation's joint venture program, to be offered in minimum amounts of \$15,000, payable 20% down and the balance upon demand during 1959. Proceeds—To assemble and acquire interests in Canada and Continental United States. Underwriters—Rowles, Winston & Co., Houston, Tex., and Dewar, Robertson & Pancoast, San Antonio, Tex. Offering — Expected early in January.

Dec. 24 filed \$7,443,100 of convertible subordinated debentures due Jan. 1, 1979 to be offered for subscription by common stockholders on the basis of \$100 principal amount of debentures for each 25 shares of stock held on or about Jan. 15; rights to expire on or about Jan. 30. Price—To be supplied by amendment. Priceeds—To reduce bank loans and for working capital. Underwriter—Lehman Brothers, New York. Offering—Expected today (Jan. 15).

Southern California Edison Co. (1/20)
Dec. 24 filed 500,000 shares of common stock (par \$25).
Price—To be supplied by amendment. Proceeds—To repay bank loans and for construction program. Underwriters—The First Boston Corp., New York; and Dean Witter & Co., San Francisco, Calif.

Jan. 9 filed 1,350,000 shares of common stock (par \$5).

Proceeds—For payment of short-term bank loans, for investment in common stocks of subsidiaries and general corporate purposes, including additional investments in operating affiliates. Underwriter—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Morgan Stanley & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Lehman Brothers. Bids—Expected up to 11:30 a.m. (EST) on Feb. 4 at 250 Park Avenue, New York, N. Y.

Southern Natural Gas Co. (1/20)

Dec. 18 filed \$35,000,000 20-year first mortgage pipe line bonds due 1979. Proceeds—To repay bank loans and for

new construction. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. Bids—Expected to be received up to 11 a.m. (EST) on Jan. 20 in Room 1130, 90 Broad St., New York, N. Y.

Sports Arenas (Delaware) Inc.

Nov. 18 filed \$2,000,000 of 6% 10-year convertible debentures (subordinated), due Jan. 1, 1969. Price—To be supplied by amendment. Proceeds—\$750,000 to pay AMF Pinspotters, Inc. for bowling alley beds; \$350,000 to pay for other installations, fixtures and equipment; \$85,000 to expand two present establishments by increasing the number of alley beds by eight at Yorktown Heights and by six at Wilton Manor Lanes, Fort Lauderdale; \$300,000 for deposits on leaseholds, telephones and utilities; and \$395,000 for working capital. Underwriter-None.

Sports Arenas (Delaware) Inc.

Nov. 18 filed 461,950 shares of common stock (par one cent). Price—At the market (but in no event less than \$6 per share). Proceeds—To selling stockholders. Office—33 Great Neck Rd., Great Neck, N. Y. Underwriter—None.

Dec. 15 filed 1,000,000 shares of common stock (par \$1).

Price—To be supplied by amendment. Proceeds—Together with \$6,500,000 of borrowings, will be used for the acquisition of Spur Distributing Co., Inc., and for general corporate purposes. Office—Eighth Ave. South and Bradford Ave., Nashville, Tenn. Underwriter—Equitable Securities Corp., Nashville, Tenn.

Standard Sign & Signal Co.

Dec. 17 (letter of notification) 300,000 shares of common stock. Price—At par (\$1 per share). Proceeds—To promote and expand the development of the Safety School Shelter business. Office—c/o Brown Kendrick, 6130 Preston Haven Drive, Dallas, Texas. Underwriter—Sano & Co., New York, N. Y. Offering—Not expected until after Jan. 31, 1959.

State Life, Health & Accident Insurance Co.
July 9 (letter of notification) 50,000 shares of common stock (par \$1). Price—\$5 per share. Proceeds—To be invested in stocks and bonds and to acquire other life insurance companies. Address—P. O. Box 678, Gulfport Miss. Underwriter—Gates, Carter & Co., Gulfport, Miss

Strategic Minerals Corp. of America, Dallas, Tex March 31 filed \$2,000,000 of first lien mortgage 6% bonds and 975,000 shares of common stock (par 10 cents). Price —For bonds, 95% of principal amount; and for stock \$2 per share. Proceeds—To erect and operate one or more chemical processing plants using the Bruce - Williams Process to beneficiate manganese ores. Underwriter— Southwest Shares, Inc., Austin, Texas.

Surrey Oil & Gas Corp., Dallas, Tex.

Nov. 12 filed 300,000 shares of common stock (par \$1).

Price—\$3 per share. Proceeds—To retire current liabilities and for drilling and exploration costs and working capital. Underwriter—Peter Morgan & Co., New York.

Offering—Expected any day.

Dec. 30 (letter of notification) 5,000 shares of 7% cumulative preferred stock (par \$15) and 25,000 shares of common stock (par \$1), to be offered in units of one share of preferred stock and five shares of common stock. Price—\$20 per unit. Proceeds—To reduce accounts payable and increase working capital. Office—Flat St., Brattleboro, Vt. Underwriter—None. Letter to be withdrawn and issues placed privately.

• Tower Merchandise Mart, Inc., Boulder, Colo. Nov. 10 filed 500,000 shares of common stock (par \$5). Price—\$10 per share. Proceeds—For working capital and construction program. Underwriter—Allen Investment Co., Boulder, Colo. Statement effective Dec. 31.

Tractor Supply Co.

Dec. 18 filed 480,000 outstanding shares of class A common stock (par \$1). Price—To be supplied by amendment (expected at around \$12 per share). Proceeds—To selling stockholders. Office — 2700 North Halsted St., Chicago, Ill. Underwriter—Dempsey-Tegeler & Co., St. Louis. Mo.

• Transcontinental Gas Pipe Line Corp. (1/26-30)
Jan. 7 filed \$35,000,000 of first mortgage pipe line bonds,
due 1979. Price — To be supplied by amendment. Proceeds—For property additions and improvements and/or
to reduce outstanding notes under company's revolving
credit agreement. Underwriters — White, Weld & Co.
and Stone & Webster Securities Corp., both of New York.

Trout Mining Co.

Dec. 2 filed 280,763 shares of common stock, of which 278,043 shares are being offered for subscription by holders of company's common stock of record Dec. 31, 1958, on the basis of three new shares for each share to be held following a distribution to stockholders of record Dec. 5, 1958 of American Machine & Metals, Inc. There will be an oversubscription privilege. Rights will expire on Jan. 16. The remaining 2,720 shares are to be offered to certain employees. Price—\$1 per share. Proceeds—For working capital. Underwriter—None.

Jan. 8 filed 23,282 shares of capital stock (par \$6.66%) to be offered in exchange for shares of capital stock of Highland Container Co. in ratio of 0.58 share of Union Bag for one share of Highland. Unless the exchange offer is accepted prior to its expiration of stockholders holding more than 25,000 of the outstanding shares, the exchange offer will be cancelled. If the exchange offer is so accepted by the holders of more than 25,000, but less than 36,000 such shares, the exchange offer may be cancelled at the option of Union Bag by written or tele-

graphic notice to the exchange agent given on or before March 4, 1959.

United Employees Insurance Co.

April 16 filed 2,000,000 shares of common stock (par \$5).

Price — \$10 per share. Proceeds — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. Office — Wilmington, Det. Underwriter—None: Myrl L. McKer of Portland, Ore., is President.

• United Pacific Aluminum Corp.

Dec. 18 filed 100,000 shares of common stock (par \$1). Price — \$8 per share. Proceeds—To purchase an additional cold rolling mill and for general corporate purposes. Office — 5311 Avalon Blvd., Los Angeles, Calif. Underwriters—D. H. Blair & Co., New York, and Stern, Frank, Meyer & Fox, Los Angeles, Calif. Offering—Expected today (Jan. 15).

United Security Life & Accident Insurance Co.
Aug. 22 filed 120,000 shares of class A common stock.
Price \$3 per share. Proceeds—To provide the reserves
required to be held in life and accident insurance policies, and to pay the necessary expenses in producing
insurance. Office—Louisville, Ky. Underwriter—None.
Edmond M. Smith, is President.

United States Glass & Chemical Corp.

Nov. 26 filed 708,750 outstanding shares of common stock.

Price—At market. Proceeds — To selling stockholders.

Office—Tiffin, Ohio. Underwriter—None.

★ Universal Oil Processes, Inc. (2/3-4)
Jan. 13 filed 2,900,000 shares of capital stock. Price—To be supplied by amendment. Proceeds—To purchase from Guaranty Trust Co. of New York, as trustee of the Petroleum Research Fund, all of the outstanding shares of capital stock of Universal Oil Products Co. Underwriters — Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fermer & Smith, Inc, all of New York.

Uranium Corp. of America, Portland, Orc.
April 30, 1957 filed 1,250,000 shares of common stock (par 16 cents). Price—To be supplied by amendment (expected to be \$1 per share). Proceeds—For exploration purposes. Underwriter—To be named by amendment. Graham Albert Griswold of Portland, Orc., is President.

Otah Minerals Co.

April 11 (letter of notification) 900,000 shares of common stock. Price—At par (10 cents per share). Proceeds

—For mining expenses. Office—305 Main St., Park City,
Utah. Underwriter—Walter Sondrup & Co., Salt Lake
City, Utah.

Utah Oil Co. of New York, Inc.

May 6 (letter of notification) 300,000 shares of capital stock. Price — At par (\$1 per share). Proceeds — For development of oil and gas lands. Office—574 Jefferson Ave., Rochester 11, N. Y. Underwriter—Frank P. Hunt & Co., Inc., Rochester, N. Y.

Ovita Food Products, Inc. (1/16-19)
Dec. 16 (letter of notification) 12,000 shares of common stock (par 25 cents) issued as part of the consideration paid by the company for Mother's Food Products, Inc. Price—To be related to market price on the American Stock Exchange. Proceeds — To Jesse C. and Bernard Goodwin. Office—644 Greenwich St., New York, N. Y. Underwriter—Granbery, Marache & Co., 67 Wall St., New York, N. Y.

• Wen Wood Organizations, Inc. (1/26-30)
Dec. 18 (letter of notification) 100,000 shares of common stock (par 25 cents). Price—\$3 per share. Proceeds—For land development and home construction in Florida; and for general corporate purposes. Office—62 Third Ave., Mineola, L. I., N. Y. and 2259 Bee Ridge Road, Sarasota, Fla. Underwriter—Michael G. Kletz & Co., Inc., 30 Rockefeller Plaza, New York, N. Y.

Jan. 2 (letter of notification) 81,599 shares of class A common stock (par \$1). Price—\$3 per share. Proceeds—To increase capital and surplus accounts. Office—2848 West Van Buren Street, Phoenix, Ariz. Underwriter—None.

Willer Color Television System, Inc.
April 2 (letter of notification) 72,035 shares of common stock (par \$1) of which 10,000 are being offered to stockholders at \$2 per share (rights to expire on Jan. 17), and the remaining 62,035 shares are being publicly offered at \$3 each. Proceeds—For general corporate purposes. Office—151 Adell Avenue, Yonkers, N. Y. Underwriter—Edwin Jefferson, 39 Broadway, New York 6, N. Y. Statement effective Nov. 18.

Wilmington Country Club, Wilmington, Del.
Oct. 27 filed \$500,000 of debentures due 1991 (non interest bearing) and 800 shares of common stock (par \$25) to be offered to members of this club and of Concord Ltd. Price—\$375 per common share and \$1,000 per debenture. Proceeds — To develop property and build certain facilities. Underwriter—None.

Wyoming Corp.

Nov. 17 filed 1,449,307 shares of common stock. Of these shares 1,199,307 are subject to partially completed subscriptions at \$2, \$3.33 and \$4 per share; and the additional 250,000 shares are to be offered initially to share holders of record Nov. 1, 1958, in the ratio of one new share for each 2.33 shares held on that date. Price—\$4 per share. Proceeds—\$300,000 will be used for payments on contract to purchase shares of International Fidelity Insurance Co.; \$325,000 for capitalization of a fire insurance company; \$500,000 for additional capital contribution to Great Plains Development Co.; and \$300,000 as

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Feb. 19 Voting include Barney age Co. Office—319 E. "A" St., Casper, Wyo. Under-vriter—None. n additional capital contribution to Great Plains Mort-

Prospective Offerings

Alabama Power Co. (4/30)
Dec. 10 it was announced that the company plans the ssue and sale of \$20,000,000 of 30-year first mortgage onds. Proceeds - For construction program. Undervriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Harriman Ripley & Co., Inc. and Goldman, Sachs & Co. (jointly); Morgan Stanley & Co.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly); The First Boston Corp. Registration—Planned for April 3. Bids—Expected to be re-

eived on April 30. American Natural Gas Co.

Dec. 15 it was announced that the company has filed in application with the SEC for the issuance of 486,325 additional shares of common stock (par \$25) in the early months of 1959 to stockholders under rights on the basis of one new share for each 10 shares held (with an oversubscription privilege). Price-To be determined just prior to offering. Proceeds—To be used as the equity base for the financing of substantial expansion programs of system companies. Underwriter—To be determined by competitive bidding. Probable bidders: White, Weld & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Central Bank & Trust Co., Great Neck, L. I., N. Y. Dec. 31 it was announced that the stockholders will yote on Jan. 31 on approving a proposed subscription of-fering of 38,503 additional shares of capital stock. Price -\$20 per share. Proceeds-To increase capital and sur-

plus. Underwriter-None.

★ Chicago, Milwaukee, St. Paul & Pacific RR.

(1/21)Bids will be received by the company at 516 W. Jackson Blvd., Chicago 6, Ill., up to noon (CST) on Jan. 21 for the purchase from it of \$5,850,000 equipment trust certificates maturing semi-annually from Aug. 1, 1959 through Feb. 1, 1974, inclusive. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Columbia Gas System, Inc.
Dec. 1 it was reported that the company may issue and sell additional common stock in the first half of 1959. Proceeds—To repay outstanding bank loans. Underwriter -To be determined by competitive bidding. Probable bidders: Lehman Brothers and Eastman Dillon, Union Securities & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, White, Weld & Co., Shields & Co. and R. W. Pressprich & Co. (jointly); Morgan Stanley & Co.

\* Connecticut Light & Power Co. (2/2) Jan. 12 it was reported that the company plans an of-fering of approximately \$15,000,000 of additional common stock (no par) to be offered to common stockholders on or about Jan. 30; rights to expire on Feb. 16. Proceeds To repay bank loans and for construction program. Underwriters-Morgan Stanley & Co., New York; Putnam & Co., Hartford, Conn.; Estabrook & Co., Boston, Mass.; Chas. W. Scranton & Co., New Haven, Conn.

Denmark (Kingdom of)

Sept. 2 it was reported that an issue of between \$20,000-000 to \$30,000,000 may possibly be placed on the American market this year. Underwriter—Kuhn, Loeb & Co. New York. Registration—Expected shortly.

Eastern Utilities Associates

Jan. 5 the trustees approved an offering in early March of 96,765 additional shares of common stock to common stockholders on the basis of one new share for each 12 shares held. Underwriters—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Stone & Webster Securities Corp.

Equitable Gas Co.

July 18 it was announced that the company expects later in the year to issue and sell additional securities, probably preferred stock, to secure approximately \$5,000,000 of additional funds. Proceeds—Together with \$7,000,000 from private sale of 4½% bonds, to repay short-term bank loans and for construction program. Underwriter be The First Boston Corp.; Kidder, Peabod; Co.; Merrill Lynch, Pierce, Fenner & Smith; and White Weld & Co., all of New York.

First National Bank & Trust Co., Tulsa, Okla.

Nov. 25 it was reported that the stockholders of the Bank will vote on Jan. 13 to approve a plan to offer 100,000 shares of additional capital stock (par \$10) on about a one-for-six basis to stockholders of record Jan. 13, 1959. Price—\$27 per share. Proceeds—To increase capital and surplus. Underwriter—Merrill Lynch, Pierce, Fenner & Smith, Oklahoma City, Okla.

Georgia Power Co. (9/10)

Dec. 10 it was announced that the company plans to issue and sell \$18,000,000 of 30-year first mortgage bonds. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and Shields & Co. (jointly); Lehman Brothers; The First Boston Corp.; Morgan Stanley & Co.; Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Harriman Ripley & Co. Inc. Registration—Planned for Aug. 14. Bids—Expected to be received on Sept. 10.

Great Atlantic & Pacific Tea Co., Inc.
Feb. 19 it was reported a secondary offering of common May voting stock is expected this year. Underwriters — May include: Blyth & Co., Inc.; Lehman Brothers and Smith.

Barney & Co.

e-.

Gulf Power Co. (4/2)

Dec. 10 it was announced that the company plans to issue and sell \$7,000,000 of 30-year first mortgage bonds. Proceeds-For construction program. Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Salemon Bros. & Hutzler and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co.: Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blyth & Co., Inc. Registration—Planned for March 6. Bids—Expected to be received on April 2 ceived on April 2.

Heublein, Inc.

Aug. 25 it was reported that the company plans early registration of 400,000 shares of common stock; of which 100,000 shares are to be sold for the account of selling stockholders. Proceeds-For expansion. Underwriter-Glore, Forgan & Co., New York. Offering-Expected in

Illinois Bell Telephone Co. (2/25)

Dec. 24 it was announced company plans to issue and sell \$50,000,000 first mortgage bonds dated March 1, 1959 and due March 1, 1994. Proceeds—For improvements, etc. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co. and Eastman Dillon, Union Securities & Co. (jointly). Bids -Expected to be received on Feb. 25.

Interstate Motor Freight System, Inc. (Mich.) Dec. 1 it was reported that the company plans to issue and sell 125,000 shares of common stock. Underwriters—A. C. Allyn & Co., Inc. and Walston & Co., Inc. Offering-Expected any day.

Japan (Empire of)

Aug. 20 it was stated that an issue of between \$25,000,000 and \$30,000,000 of bonds may soon be publicly offered on the American market. Proceeds-For public works projects, etc. Financial Adviser—The First Boston Corp., New York. Offering—Expected late in January, or early in February.

Kansas Gas & Electric Co. March 31, G. W. Evans, Chairman, announced that com pany plans to sell some bonds originally scheduled for mid-year of 1958. The proposed sale was subsequently deferred until early 1959. Proceeds - About \$8,000,000 for construction program. Underwriter-To be determined oy competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers; Eastman Dillon, Union Securities & Co. and Stone & Webster Securities Corp. (jointly); Glore, Forgan & Co., and Goldman Sachs & Co. (jointly).

Kansas Power & Light Co. Feb. 14 it was announced company plans to issue and sell \$10,000,000 of first mortgage bonds due 1988. Proceeds—For construction program. Underwriter—To be letermined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore Forgan & Co.; Harriman Ripley & Co. Inc.; White, Weld & Co.; Blyth & Co., Inc.; Equitable Securities Corp

Laboratory for Electronics, Inc.

July 3, Henry W. Harding, President, announced that the directors are currently considering refinancing \$790,-000 of outstanding notes (\$658,750 held by a principal stockholder and \$131,250 by a bank) on a more permanent basis. This may be done through equity or convertible debenture financing. Office-75 Pitts St., Bos-

\* Louisiana Power & Light Co.

Lec. 29 it was reported that the company plans to issue and sell \$7,500,000 of preferred stock (par \$100). Underwriter-To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co., Inc. and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Kidder, Peabody & Co. and Harriman Ripley & Co., Inc. (jointly); Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); The First Boston Corp. and Glore, Forgan & Co. (jointly). Bids—Expected to be received sometime in April.

Mercantile National Bank, Dallas, Texas. Dec. 15 it was announced that the stockholders will vote Jan. 20 on authorizing the issuance of 125,000 addinon si shares for each 10 shares held. Price—\$26 per share. Proceeds—To increase capital and surplus. Underwriters-Rauscher, Pierce & Co., Inc. and First Southwest Co., both of Dallas, Texas.

Miami Window Corp.

Dec. 15 it was reported that the company plans issuance and sale of \$2,500,000 61/2% debentures due 1974 (with attachable warrants—each \$1,000 debentures due 1974 (with attachable warrants—each \$1,000 debenture to carry a warrant to buy 200 shares of common stock at \$3 per share). Underwriters—Cruttenden, Podesta & Co., Chicago, Ill., and Clayton Securities Corp., Boston, Mass. Registration—Expected about mid. Issuers. Registration-Expected about mid-January.

Michigan Bell Telephone Co.

Aug. 12 directors approved plans to sell \$40,000,000 of 34-year debentures. Proceeds—To redeem a like amount of 43/4% debentures due November, 1992. Underwriter To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. Bids—Had been tentatively scheduled to be received on Sent 16, but on Aug. 26 it was voted to post pone this ry ding program because of present market conditions. Chancing plans have since been abandoned.

Mississippi Power Co. (6/25)
Dec. 10 it was announced that this company plans to issue and sell \$5,000,000 of 30-year first mortgage bonds. Proceeds-For construction program. Underwriter-To be determined by competitive bidding. Probable bid-

ders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co. and White, Weld & Co. (jointly). Registration—Planned for May 29. Bids—Expected to be received on June 25.

• National State Bank, Newark, N. J. (1/23)

Jan. 13 stockholders were to approve a proposed offering of about 80,000 shares of common stock to stockholders of record about Jan. 23, 1958, on the basis of one new share for each six shares then held; rights to expire on Feb. 16. Price—\$50 per share. Proceeds — To increase capital and surplus. Underwriter—Clark, Dodge & Co.,

North American Equitable Life Assurance Co. Dec. 1 it was announced that the company plans an offering of 950,000 shares of capital stock. Price — \$10 per share. Proceeds—To increase capital and surplus. Un derwriter-John M. Tait & Associates, Cincinnati, Ohio.

North American Van Lines, Inc. Nov. 20, James D. Edgett, President, announced company plans early in 1959 to make a public offering of its stock, and has applied to the Interstate Commerce Commission for authority to do so.

Northern Illinois Gas Co.

Dec. 12 it was reported that the company will sell in 1959 about \$35,000,000 of new securities, including some first mortgage bonds, in addition, there is a possibility of a preferred stock issue and raising of some funds through common stock financing, "perhaps in the form of convertible debentures." Proceeds—For capital expenditures. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co.; Blyth & Co., Inc.

Northern Indiana Public Service Co. Dec. 29 it was reported that the company plans sale of from \$25,000,000 to \$30,000,000 of first mortgage bonds due 1989. Underwriter — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly); Eastman Dillon, Union Securities & Co.; The First Boston Corp.; White, Weld & Co.; Dean Witter & Co.; Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Harriman Ripley & Co., Inc. Bids-Expected to be received

before April 1.

Northern States Power Co. (Minn.) Dec. 3, Allen S. King, President, announced that the company plans about the middle of 1959 to put out a common stock issue and possibly a \$15,000,000 preferred stock issue if there is a satisfactory market. Proceed To repay bank loans and for construction program. Underwriter — To be determined by competitive bidding. Probable bidders (1) For preferred stock: Blyth & Co., Inc. and The First Boston Corp. (jointly); Lehman Brothers and Riter & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith; Harriman Ripley & Co., Inc. and Eastman Dillon, Union Securities & Co. (jointly); Kuhn, Lock & Co. (2) For common stock: Lehman Brothers. Loeb & Co. (2) For common stock: Lehman Brothers and Riter & Co. (jointly); The First Boston Corp., Blyth & Co., Inc. and Kuhn, Loeb & Co. (jointly); White, Weld & Co. and Glore, Forgan & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith.

\* Our River Electric Co., Luxemburg Dec. 22 it was reported that this company plans to offer \$10,000,000 of bonds in the early part of 1959. Underwriters-The First Boston Corp. and Kuhn, Loeb & Co., both of New York.

Pacific National Bank of San Francisco Dec. 12 directors approved proposed offering of 74,511 additional shares of new capital stock to stockholders of record Jan. 13 at the rate of one new share for each three shares held; rights will expire on Feb. 3. Under-writers—Blyth & Co., Inc. and Elworthy & Co., both of San Francisco, Calif.

★ Pacific Power & Light Co. (3/3)
Jan. 14 it was reported that the company plans an offering to common stockholders of additional common stock at the rate of one new share for each 20 shares owned. Underwriters-To be determined by competitive bidding. Probable bidders: Lehman Brothers, Eastman Dillon, Union Securities & Co., Bear, Stearns & Co. and Dean Witter & Co. (jointly); Ladenburg, Thalmann & Co.; Kidder, Peabody & Co. Bids—Expected to be received

Public Service Co. of Indiana, Inc. (2/17) Dec. 8 it was announced that the company will issue \$25,000,000 of first mortgage bonds. Proceeds—To repay bank loans incurred for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey Stuart & Co. Inc.; Kuhn, Loeb & Co.; The First Boston Corp.; Blyth & Co., Inc.; Glore, Forgan & Co.; Harriman Ripley & Co., Inc. Bids—Expected to be received on Feb. 17.

\* Public Service Co. of New Mexico

Jan. 12 it was reported that the directors will meet on Jan. 27 to discuss the issuance of 50,000 shares of preferred stock. Proceeds-For construction program. Underwriter-May be Allen & Co., New York.

Rockland-Atlas National Bank of Boston,

Mass. (1/20)
Dec. 16 it was announced it will offer its stockholders of record Jan. 20, 1959, an additional 40,000 shares of capital stock (par \$10) on the basis of one new share for each 6½ shares held. The offering period will last for about two weeks. **Proceeds**—To increase capital and surplus. Underwriter-May be The First Boston Corp., New York.

Continued on page 136

Jan. 12 it was reported that the company plans the issuance and sale of 150,000 shares of common stock (par \$5). Proceeds—For acquisitions. Underwriter—Blyth & Co., Inc., New York.

South Coast Corp.

Oct. 27 it was reported that the company is planning some long-term financing. Proceeds — To replace an interim loan obtained in connection with the purchase of properties from Gulf States Land & Industries, and 41/4% bonds due 1960. Underwriter — May be Horn-blower & Weeks, New York.

Southern Electric Generating Co. (5/28)
Dec. 10 it was announced that the company plans to issue Dec. 10 it was announced that the company plans to issue and sell \$25,000,000 of 30-year first mortgage bonds.

Proceds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dilion, Union Securities & Co. and Equitable Securities Corp. (jointly);

Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co. and White, Weld & Co. (jointly). Registration—Planned for May 1. Bids—Expected to be received on May 28.

July 10 it was announced Missouri Public Service Commission authorized the company to issue \$110,000,000 of 35-year debentures. Proceeds — To refund outstanding \$100,000,000 434% debentures. Underwriter—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. Offering—Has been abandoned. Bids had been expected about Sept. 30, 1958. about Sept. 30, 1958.

Technology Instrument Corp. (1/21) Jan. 13 it was reported that the company plans early registration of 130,000 shares of common stock via an amendment to an earlier registration statement. Underwriter-Shearson, Hammill & Co., New York.

Texas Eastern Transmission Corp.

Dec. 11 it was announced by W. Hargrove, Vice-President, that the corporation plans to raise about \$90,000,-000 through the sale of new securities (tentative plans call for the sale of bonds, debentures and preferred stock). Proceeds—To refund \$30,000,000 of outstanding bank loans, and the balance will be used for capital expenditures. Underwriter—Dillon, Read & Co. Inc., New

\* Texas Gas Transmission Co. Jan. 13 it was reported that the company has filed an application with the Federal Power Commission coverapplication with the rederal Power Commission Covering \$40,000,000 of additional financing. It is believed that \$10,000,000 of this new capital will be raised via a common stock offering and the rest will consist of first mortgage bonds. Proceeds—For expansion program. Underwriter—Dillon, Read & Co., Inc., New York. Offering—Not expected for some time.

Thomas & Betts Co.

Nov. 25 it was reported that the company plans early registration of about 250,000 to 300,000 shares of common stock. Price—To be supplied by amendment. Proceeds—To selling stockholders. Underwriter—Smith, Barney & Co., New York. Offering—Planned for some time in

Jan. 5 it was reported that the company plans the sale of from \$20,000,000 to \$25,000,000 of additional common stock. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith; Stone & Webster Securities Corp. Bids—Expected to be received on June ? be received on June 2.

Venezuela (Government of) July 1 the Government announced that Kuhn, Loeb & Co. and Kidder, Peabody & Co., both of New York, have been selected as financial advisors to develop a financial program for the country. As a first step in the program a short-term credit is being negotiated between the

government in cooperation with the two investm government in cooperation with the two investments banking firms and a syndicate of commercial banks the United States, Canada and the United Kingdon The three institutions which are to head this syndicate are The Chase Manhattan Bank, The First National Cit Bank of New York, and Bank of America National True & Savings Association. The Chase Manhattan Bank will be the fiscal agent for the credit. The amount of the new financing involved is in the neighborhood of \$250. 000,000. The purpose is to restore government balance which have been reduced by the repayment of excessive short term obligations previously incurred.

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Virginian Ry.

Aug. 26 the directors approved a proposal to exchange 2,795,500 shares of 6% cumulative preferred stock (per \$10) for \$32,148,250 new 6% subordinated income single shares to mature Aug. 1, 2008 on the base ing fund debentures to mature Aug. 1, 2008 on the base of \$11.50 principal amount of debentures for each professed share. Offer began on Nov. 17 and will expire to Jan. 16. Bealer-Manager—Harriman Ripley & Co. Inc.

Jan. 12 it was reported that the company contemplates the sale of \$14,000,000 first mortgage bonds. Underwrite—To be determined by competitive bidding: Probable bidders: Halsey, Stuart & Co. Inc.; Smith; Barney & Co. and Robert W. Baird & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); White, Weld & Co., Kidder, Peabody & Co., and Salomon Bros. & Hutzler (jointly); The First Boston Corp. Bids—Expected to be received on April 15.

Wercester Get Light Co.

Aug. 18 it was reported that the company plans the sit of \$5,000,000 first mortgage bonds. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Estabrook & Co. and Coffin & Burr, Inc. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (initial)

Our Reporter's Report

The investment markets generally took the Treasury's announcement of its terms for raising \$3.25 billion of new cash pretty much in stride even though the scope of the operation was somewhat larger than had been anticipated at this time.

But prospective corporate borrowers probably looked upon the larger than expected offering as removing that much in the form of future concern. At any rate the oned market stood its ground well and Treasury long-terms after settling slightly took on a irmer note.

So that all in all the capital market appeared to have passed enother hurdle in its search for stability and a new base that will pave the way for a greater out-flow of new debt securities.

Meantime it became evident that most of the recent new emissions, some of which had been rather heavy at times are new enjoying more substantial markets. In most instances debt

Pacific Gas & Electric's new 4%s, for example, are holding a premium of better than 2 points while Philadelphia Electric 43/88 are holding the offering price of par and Southern Bell Telephone 45%s command a small premium over the initial price.

More recent issues by C.I.T. Financial Corp. and Household Finance Corp. likewise are behaving well, the latter at a premium. New preferred stocks also have done relatively well marketwise.

#### New Issues Drag

Some of the newest corporate omissions were reported a bit on the slow side although moving. Gulf States Utilities new preferred stock for example was reported as "moving quietly," that is without any fanfare.

Meanwhile Commonwealth Edison Co.'s \$20 million of 50-year, agement of John G. O'Neill, Vicesinking fund debentures, carrying President of the firm.

a coupon rate of 45% % and offered to yield 4.55%, was reported as slow

This issue drew a total of three bids. The successful group paid the company a price of 100.6499 for the aforementioned coupon rate. The runner-up bid 99.7529 and the third group, 99.497, for the same interest rate. Thus pricing ideas evidently were not exactly close.

#### Took Some Figuring

When the Department of Water and Power of the City of Los Angeles opened bids for its \$18 million offering of plant revenue bonds yesterday, it found that considerable figuring would be necessary to decide which of two syndicates should get the bonds.

A group headed by First Boston Corp., and Drexel & Co. ultimately received the award, its bid for a combination of coupons having figured out to a net interest cost basis of 3.6079% to the is-

But the people charged with deciding the issue must have taken a few really deep breaths, for the bid of a second group, headed by Lehman Brothers, and Harriman Ripley & Co., Inc., worked out to a net interest cost basis of 3.609%, or a difference of .011 basis points.

#### Modest Week Ahead

Underwriting bankers will hardly find their facilities overtaxed by the volume of new isissues are selling close to or above sues looming ahead for next week. their original offering prices. The list discloses only three debt offerings of consequence, plus several equity undertakings of which the largest is Southern Edison Co.'s 500,000 shares of common stock set for Tuesday.

> On Monday the Gulf States Utilities Co., which sold a preferred stock issue this week, will shares. be in the market for bids on \$10 million of new bonds.

Southern Natural Gas Co., on Tuesday, will be opening bids for \$35 million of new bonds, and on Wednesday the Indiana Michigan Electric Co., is slated to market \$20 million in bonds.

#### George, O'Neill in Fla.

MIAMI, Fla.-George, O'Neill & Co., Inc., has opened a branch office in the Du Pont Plaza Center Office Building under the man-

## First Boston Group Offers Kansas Power & Light Common Stock

The Kansas Power & Light Co. is today (Jan. 15) offering for public sale through an underwriting group headed by The First per share on a best efforts basis.

Boston Corp., 275,000 shares of its

The net proceeds from this sa common stock at a price of \$29.871/2 per share.

The net proceeds of the sale of the additional shares will be applied by the company in part to the payment of \$6,500,000 of bank borrowings incurred to finance construction. The balance will be added to general funds for use in the company's construction program. Growth of industrial, commercial and residential demand since 1953 has necessitated expenditures for construction and expansion of company facilities amounting to more than \$60,000,-

The company's principal business is the generation and distribution of electric energy and the purchase, distribution and sale of natural gas in the northeastern and central portions of Kansas covering 27,500 square miles, or about 33% of the area of the state. The population of the territory provided with one or more services at retail or wholesale is more than 750,000. For the 12 months ended Oct. 31, 1958, electric revenues accounted for about 66% and natural gas 33.5% of total oper-For the 1957 calendar year made. total operating revenues were \$47,- The net proceeds will be used for 17 years, he entered the mu730,405 and net income \$7,000,616 for additional working capital and tual fund field in 1953. or \$2.05 per share on 2,863,950 expansion of facilities

The company has paid dividends quarterly dividends on its common stock at the annual rate of \$1.30 per share. On Dec. 19, 1958 directors declared an extra dividend of 6 cents per share payable fuel-oil storage and water, the Jan. 15, 1959 to holders of record on Dec. 29, 1958, while indicating its intention to pay a dividend of tersville Tank & Boiler Works, 34 cents per share on April 1, 1959 Inc., located at Sistersville, W. Va., and to continue the payment of is now a relatively large producer quarterly dividends. Such divi- of custom vessel fabrications in dends and the amount thereof will stainless and carbon steel, as well earnings and financial condition dustrial concerns in the eastern in Johnson & Wood, passed away of the company and other factors. and midwestern sections of the Landscape of t

## So. Gulf Utilities **Common Stock Offered**

Ross Securities, Inc., New York City, offered publicly yesterday (Jan. 14) an issue of 127,659 shares of common stock of Southern Gulf Utilities, Inc., at \$2.35

The net proceeds from this sale are to be used to pay loan and accounts payable, pay initial cost for sewage treatment and collection system (estimated at \$85,000), pay cost of expansion of water treatment and distribution system (estimated at \$35,000), and used for working capital and other corporate purposes.

Southern Gulf Utilities, Inc. was formed to engage primarily in the acquisition, ownership, con-struction, control and management of water supply and distribution systems and sewerage systems. It was organized on Aug. 21, 1958 in Florida.

As the initial step in the fulfill-ment of its objectives, the company entered into an agreement of merger and consolidation on Det. 21, 1958 with the South Vero Beach Water Co., Inc., a Florida corporation.

# Norwalk Tank Class A

100,000 shares of class A common ident of both funds and director natural gas 33.5% of total oper- stock (par \$1) of Norwalk Tank of sales of the distributing com-ating revenues of \$49,351,571. Net Co., Inc. at \$3 per share, through pany. Mr. Hewitt has been assoincome for the period was \$6,982,- G. K. Shields & Co. of New York ciated with the investment busi-451, equal after preferred dividend City, has been completed, all of requirements to \$2.04 per share on said shares having been sold, ac- headed or held partnership in sev-2,869,220 common shares outstand- cording to an announcement just

Norwalk Tank Co., Inc. is a Connecticut corporation organized on annually on its common stock since May 14, 1936, and engaged priorganization in 1924. Since Janmarily in the business of steel uary 1, 1957 the company has paid plate fabrication including the manufacture of tanks, pressure vessels, weldments and allied plate items. While continuing some production of large standard tanks for company directly, and through its 96% owned subsidiary, the Sis-

country. Its products are manufactured at the company's facilities in Norwalk, Conn., where its principal executive offices are located, and at the plant of its subsidiary. Through a management contract with the Hepinstall Steel Works of New Orleans, La., the company has extended its plate fabrication operations to the growing Southern industrial area.

## Casey, Hewitt Partners in Delaware Co.

PHILADELPHIA, Pa.-Warren A. Casey and William Wilson Hewitt have been admitted as partners of Delaware Company, Penn Center Plaza, investment adviser for Delaware Fund and Delaware Income Fund, W. Linton Nelson, managing partner, has an-

Mr. Casey, who is also investment Vice-President of both funds joined the Delaware organization in 1954 as Senior Security Analyst. He was formerly with several leading financial houses in Boston and Philadelphia, and also held posts with the Securities and Exchange Commission and the Fed-

eral Deposit Insurance Corp. Mr. Hewitt came to Delaware Distributors, Inc., the funds' na-tional distributor, as an area Sales Manager in January, 1955 and the Common Stock All Sold following year was named a Vice-President. This past September, he was appointed Sales Vice-Presness for a number of years and has eral securities firms. A member of the New York Stock Exchange

#### With Walter, Woody

(Special to THE PINANCIAL CHRONICLE) CINCINNATI, Ohio - John M. Glass is with Walter, Woody & Heimerdinger, Dixie Terminal Building. He was previously with W. E. Hutton & Co.

#### Joins Halbert, Hargrove

LONG BEACH, Cal.-Glenn R. Smith has joined the staff of Halbert, Hargrove & Co., 115 Pine Avenue.

#### Percy A. Byron, Jr.

## Indications of Current Business Activity

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The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that dates

Part	Dualicas veria	STEEL CATORS STEEL	Latest	Previous	Month	Year 1	SAISM 29111	Latest	Previous	Year
Column   C			175.0	*73.6	74.5	57,2	BRADGERF INC - ots OFFIRE Month	Month	Month	Ago
Section of Property Services   1985	steel ingots and castings (net tons)	Jan, 18	\$2,123,000	*2,085,000	2,011,000	1,538,900	or November: New England Middle Atlantic	\$15,982,510 96,176,579	112,204,717	60,670,788
### COLL POWNS WING TOWN STATES AND STATES A	Crude curs to stille—daily average (bhis.)	Jan. 2 Jan. 2 Jan. 2	18,256,000	8,165,000	7,666,000	7,867,000	East Central South Central	83,194,852 77,723,548	131,819,353 91,348,363	69,450,557
### COLL POWNS WING TOWN STATES AND STATES A	Rerosene output (bbls.) Distillate fuel oil output (bbls.) Regidual fuel oil output (bbls.)	Jan. 2 Jan. 2 Jan. 2	14,593,000	14,208,000	12,620,000	13,240,000	Mountain Pacific	24,984,986 78,055,642	31,685,204	17,392,758
### COLL POWNS WING TOWN STATES AND STATES A	Stocks at refinertes, bulk terminals, in transit, in pipe Finished and unfinished gasoline (bbls.) at Kanasna (bbls.) at	Jan. 2	26,057,000	26,155,000	31,009,000	28,511,000	Total United States New York City Outside New York City	\$485,756,268 58,563,962 427,192,306	72,525,390	28,844,804
Cert. and Control of the Control of	Distillate fuel oil (bbis.) at Residual fuel oil (bbis.) at ASSOCIATION OF AMERICAN BAILEOADS:	Jan. 2	60,525,000	61,629,000	65,137,000	59,621,000	CONSUMER PRICE INDEX — 1947-49 100 — Month of November:	Tooling out		23 4931
THE PRINCE OF TH	Revenue freight loaded (number of cars).  Revenue freight received from connections (no. of cars).  Revenue freight received from connections (no. of cars).	Jan. 3 ears)—Jan. 3 ERING		488,876	514,560	426,667		117.6	119.7 118.0	116.0 114.1
THE PRINCE OF TH	NEWS RECORD: Total U. S. construction Private construction	Jan. 8	85,389,000	\$273,226,000 61,992,000	\$353,298,000 170,871,000	\$170,986,000 61,974,000	Pruits and vegetables	STATE OF THE PARTY	114.6 114.5	104.6
THE PRINCE OF TH	Public construction State and municipal Federal	Jan. 8 Jan. 8 Jan. 8	144,106,000	147,107,000	139,233,000	94,122,000	Food away from home (Jan., 1953-100)	113.7 128.0	113.2 113.3 127.9	115.6
Part   1995	Bituminous coal and lignite (tous)	Jan. 3					Solid fuels and fuel oil	118.1	118.1 135.6	114.3
Comment   Process   Proc	DEPARTMENT STORE SALES INDEX—FEDERAL RESYSTEM—1947-49 AVERAGE = 100	SERVE Jan. 3	105	205	0100 244	102	Household operation	129 6	132.4 107.3	129.4 107.9
Part	FAHURES (COMMERCIAL AND INDUSTRIAL) — I	Jan 8	CHIERON.	Desalty bear	the the same of	tions with	PODEWORF		100.2 130.1	100.8 129.0
## 1.00   1.00	IRON AGE COMPOSITE PRICES: Finished steel (per lb.)	Jan. 6	6.196c	6.196c	6.196c	5.967e	Private	133.6 191.1	142.7 131.8	140.0 182.8
April   Company   Compan	METAL PRICES (E. & M. J. QUUTATIONS):	THE PERSON NAMED IN COLUMN TWO					Medical care Personal care Reading and recreation	147.0 129.1 117.0	128.8 116.6	140.3 126.7 114.4
Continued   Cont	Electrolytic copper— Lomestic refinery at Export refinery at	Jan. 7	27.125c	26.975c	26:925e	00 500-	COTTON GINNING (DEPT. OF COMMERCE).		seal nother	Sint man't
## ACCOUNT CONSTORT PLANCE    10			12.800c 12.000c	12.800c 12.000c	12.800c 12.000c	10.5000	Crop as of Dec 17 (in thousands):		er Land avant Land avant	Tagaren desa
C. C. Coverment Bonk.			24.700c	24.700c	24.700c	26.000c	Corn, all (bushels) Wheat, all (bushels) Winter (bushels)	1,462,218 1,179,924	1,449,498 1,170,768	950,662 710,776
Section   Sect	U. S. Government Bonds	Jan. 13 Jan. 13 Jan. 13	90.20	90.20	90.63	94.71	Other spring (bushels)	22,077	22,053 256,677	39,680 200,206
Public United Corporation   24.1   20.0   20	AA A	Jan. 13 Jan. 13 Jan. 13	92.79 89.78	93.08 89.64	93.52 90.06	98.57 95.77	Barley (bushels)	470.449	575,046 466,301	483,715 437,170
### ACTION DALLY AVERAGEM	Public Utilities Group	Jan. 13	88.40 89.92 92.20	88.40 90.06	90.48	95.77	Buckwheat (bushels) Flaxseed (bushels) Rice (bags)	1,783 39,543 47,015	39,969	1,871 25,919
ATTOMAL PARENDAL SASCATATON:  De 31 **95.309   130.51 **177.101 **	U. S. Government Bonds.	Jan. 13 Jan. 13	3.88 4.40				Sorghum grain (hushels)	484,202		253,954 564,324
ATTOMAL PARENDAL SASCATATON:  De 31 **95.309   130.51 **177.101 **	Ans and an analysis of the state of the stat	Jan. 13 Jan. 13 Jan. 13	4.10 4.22 4.43	4.20 4.44	4.17 4.41	3.84 4.02	Cotton, lint (bales)	11,581 4.788	11,764	15,157 10,964
ATTOMAL PARENDAL SASCATATON:  De 31 **95.309   130.51 **177.101 **	Bae Railroad Group Public Utilities Group	Jan. 13 Jan. 13 Jan. 13	4.86 4.53 4.42	4.53 4.41	4.51 4.38	4.31 4.02	Hay, all (tons)	121,924		11,346 160,865
Processing of activity   100 of printed   Do. 21   **20,777   **125,512   **26,525   **125,115   **26,525   **125,115   **26,525   **125,115   **26,525	TOOD IS COMMODILI INDEA	CONTRACTOR OF STREET	4.26 384.0			COURSE WINDOWS CONTROL OF THE PERSON OF THE	Sweetclover seed (pounds)	26.112		11,456 30,705
District AND BRIGG SPORTER PRICE NINK.   10-30   110-30	Orders received (tons)  Production (tons)  Percentees of satisfity	Dec. 31 Dec. 31	**320,797	‡‡295,919	286,263	††213,154	Timothy seed (pounds)	25,230 18,981	18,786	37,595 15,626
ACCRUPATIONS FOR ACCOUNT OF MEES   TRANSACTIONS in the preference   Transactions	Unfilled orders (tons) at end of period.  OIL, PAINT AND DRUG REPORTER PRICE INDEX-	Dec. 31	A A STATE OF THE STATE OF		file and limite	THE PERSON BY	Peanuts picked and threshed (pounds) Velvetbeans (tons)	1,864,725		1,425 1,435,945
Total purchases   Dec. 20   2,105,106   2,505,000   2,505,000   1,072,105   1,	BOUND-LOT TRANSACTIONS FOR ACCOUNT OF BERS, EXCEPT ODD-LOT DEALERS AND SPECIA	MEM- LISTS:	HS W	(19 m) = 10 - 1 5 - 11 m			Potatoes (hundredweight)— Winter Early spring	4,971	3,904	4,408
Total sales	Total purchases	Dec. 20	473,130	441,370	582,460	289,730	Early summer Late summer	11,049 34,663	11,006 34,940	9,047 32,209
Total sales	Total sales Other transactions initiated on the floor— Total purchases	Dec. 20	2,668,880	555,110	612,100	386,620	Sweetpotatoes (hundredweight)	17.434	18,074	17,467 1,667,544
Total round-oit transactions for account of members— Dec. 20 4346,690 4346,000 433,000 432,290 22,290 Total purchases.  Dec. 20 436,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 4,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 4,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,323,49 1,744,778 1,900,833 1,396,635 1,747,748 1,748,	Short sales Other sales Total sales	Dec. 20 Dec. 20 Dec. 20	500,160	500,640	621,810	474,920	Sugarcane for sugar and seed (tons) Sugarcane sirup (gallons) Sugar beets (tons)	7,014 3,770 15,299		6,750 3,225
Total round-oit transactions for account of members— Dec. 20 4346,690 4346,000 433,000 432,290 22,290 Total purchases.  Dec. 20 436,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 4,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 4,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,316,734 4,637,865 4,671,302 2,692,100 Total railes  Dec. 20 1,323,49 1,744,778 1,900,833 1,396,635 1,747,748 1,748,	Total purchases  Short sales Other sales	Dec. 20 Dec. 20	191,780	200,860	149,100	76,750	Maple sirup (gallons)  Brogmcorn (tons)  Hone (pounds)	1,516 35 49,407	33 47,611	1,833 42 40,135
Short sales Dec. 20 765.310 683.030 785.560 421.280 Other sales Dec. 20 3.61.142 4.984.03 1.9	Total sales	Dec. 20	1,107,294	1,292,215	1,165,192 4,372,705	534,280 2,598,750	Peaches (bushels)  Peaches (bushels)  Pears (bushels)	124,717 70,120 28,774	71,618 28,983	61,518 31,676
### RAYSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT ACCOUNT OF ODD-LOT BLAIRS AND SPECIALISTS ON N. Y. STOCK   KXCHANGE COMMISSION:   1,746.758   1,900.583   1,398.653	Total Sales	Dec. 20	705,310 3,611,424	683,030 3,954,535	785,260 3,886,042	2,270,820	Cherries (tons) Apricots (tons)	187 108	186	240 190
Dec. 20   1,832,249   1,748,788   1,900,583   1,398,063   1,398,	TOOK TRANSACTIONS FOR ODD-LOT ACCOUNT O LOT DEALERS AND SPECIALISTS ON N. Y.	F ODD- STOCK	Tagala,	tuniand by	Tagger and	Part (10)	Prunes, dried (tons)	97		168
Customers' other sales	Odd-lot sales by dealers (customers' purchases)—† Number of shares Dollar value	Dec. 20 Dec. 20	1,832,249 \$107,754,083				Grapefruit (boxes)	42,500	-	111,155 39,780
Dec. 20   \$93,735,024   \$94,187,800   \$89,80,578   \$93,173,510   \$93,173,510   \$10,578   \$10,5			3,30%	9,568	9,669	16,717	Lemons (Calif.) (boxes)	15,500 1.127	158,000	1,050
Commodity Group-   Aumodities other than farm and foods   Jan. 6   119.2   119.3   119.0   118.7   119.0   1	Bollar value Round-lot sales by dealers	Dec. 20	\$93,735,024	\$84,157,800	\$89,780,578	\$49,173,516	Tung nuts (tons)	84	THE OFFICE A LINE OF	
**EXCHANGE AND EQUIND-LOT STOCK TRANSACTIONS**  FOR ACCOUNT OF MEMBERS (SHARES):  Total round-lot sales			-		A	420,500	For fresh market (28 crops) (tons) For processing (10 crops) (tons)	7,465		
Total round-lot sales  Dec. 20 871.810 867.120 943.950 646.710  Other sales  Dec. 20 19.203.650 19.296.480 20.989.220 13.267.560  Total sales  Dec. 20 19.675.460 20.163.600 21.937.170 13.914.270  MRCLESALE FRICES, NEW SERIES — U. S. DEPT. OF  LABOR — (1917-49 = 100):  Commodity Group— All commodities  Jan. 6 19.2 119.3 119.0 118.7  Processed foods  Jan. 6 108.4 108.6 108.7 108.3  Member firms carrying margin accounts— Total customers' net debit balances  Jan. 6 109.1 102.7 102.1 98.6  All commodities other than farm and foods  Jan. 6 102.1 102.7 102.1 98.6  All commodities other than farm and foods  Jan. 6 102.1 102.7 102.1 98.6  All commodities other than farm and foods  Jan. 6 102.1 102.7 102.1 98.6  All commodities other than farm and foods  Jan. 6 102.1 102.7 102.1 102.7 102.1 102.0  All commodities other than farm and foods  Jan. 6 102.1 102.7 102.1 102.7 102.1 102.0  Revised figure. Includes 1,187,000 barrels of foreign crude runs. Shased on new annual capacity of 140,742,570 tons as of Jan. 1, 1956, as against Jan. 1, 1957 basis of 133,459,150 tons, flumber of orders not reported since introduction of Market value of listed blances  Member of listed blances  102,200.0 324,904  Market value of listed blances  Market value of listed blances  Market value of listed blances  109,238,030  Member of crude runs. Shased on new manual capacity of 140,742,570 tons Market value of listed blances  Market value of listed blances  Member of listed blances  261,828,027  265,000  Market value of listed blances  Market value of listed blances  Member of listed blances  261,828,027  265,000  265,000  27,900  3.34  4.05  A.88  Railroads (25)  Railroads (25)  Railcroads (25	AUAL ROUND-LAPT STOCK SALES ON THE M. V.	STOCK	618,110	585,930	582,920	478,220	MOODY'S WEIGHTED AVERAGE YIELD OF	\$31,386,000	\$31,245,000	\$31,090,000
Dec. 20   19.203,650   19.296,480   20.989,220   13.267,560	Total round-lot sales		971 910	867.120	943.950	646.710	Industrials (125)Railroads (25)	4.60	4.61	4.58 8.31
Commodities	Other sales Total sales WHOLENALE PRICES SEE CORRES II & DOWN	Dec. 20	19,203,650	19,296,480	20,989,220	13,267,560	Banks (15)	4.00 2.54	4.09 2.68	5.09 3.46
Freeesed foods Jan. 6 91.0 91.1 90.1 93.5 Member firms carrying margin accounts— \$3,369,000 \$2,559,177  Processed foods Jan. 6 108.4 108.6 108.7 108.3  Meats Jan. 6 102.1 102.7 102.1 98.6 Credit extended to customers 124,000 324,964  All commodities other than farm and foods Jan. 6 127.2 127.2 127.0 126.0 Cash on hand and in banks in U. S. 346,000 324,964  *Revised figure. Includes 1,187,000 barrels of foreign crude runs. Based on new annual capacity of 140,742,570 tons as of Jan. 1, 1956, as against Jan. 1, 1957 basis of 133,459,150 tons. Number of orders not reported since introduction of Market value of listed bonds 108,280.7 108,446,677 102,487,200 90,957  Member firms carrying margin accounts—  Total customers' net debit balances 24,400 324,000 1,146,	Commodity Group—All commodities	Jan 6					NEW YORK STOCK EXCHANGE: As of Nov. 30 (000's omitted):	35 117	ranear	Y.
*Revised figure. *Includes 1,187,000 barrels of foreign crude runs. *Based on new annual capacity of 140,742,570 tons as of Jan. 1, 1958, as against Jan. 1, 1958, as against Jan. 1, 1958 basis of 133,459,150 tons. †Number of orders not reported since introduction of Market value of listed bonds. 108,044,677 102,487,208 Market value of listed bonds. 108,044,677 102,487,208 108,045,070 108	Precessed foods	Jan. 6	91.0 108.4 102.1	91.1 108.6 102.7	90.1 108.7 102.1	108.3 98.6	Total customers' net debit balances	\$3,369,000 124,000	123,000	41,786
Monthly Investment Dian 1987 basis of 133,459,150 tons. 7Number of orders not reported since introduction of Market value of 1884 and 1987 basis of 133,459,150 tons. 7Number of orders not reported since introduction of Market value of 1884 and 1987 basis of 133,459,150 tons. 7Number of orders not reported since introduction of Market value of 1884 and 1987 basis of 133,459,150 tons. 7Number of orders not reported since introduction of 1884 and 1884	*Revised figure. Includes 1,187,000 barrels of	foreign crude	runs. \$Based	on new annual	capacity of 14	10,742,570 tons	Total of customers' free credit balances	1,148,000 261,828,027 109,238,039	1,140,000 255,116,605 108,044,677	876,175 200,919,287 102,487,208
	Marian Wine col	have delimened	hasis of contar	a where freight	Tron Mark Mr.	LODIS PECEPOS	Alember Dullowinks on U. S. Clott, Indico	383,000	285,000	

LETTER TO THE EDITOR:

# Broker-Dealer Reproves Changes In the Securities Market

Baltimore broker-dealer abjures forces that compel firms to favor issuance of bonds over stocks and transmute stocks into commodities. Turning to the role of the investment business, Mr. Block finds brokerage business is not blameless in turning stock issues into commodities in a market that is said to have hurt investors, not speculators.

Editor, Commercial and Financial Chronicle:

From earliest times in the history of commerce, the prices of commodities have been governed by the inexorable laws of supply and demand. Many, many have en the occasions when mis-ided governments, acting either eneficently or tyranically have tempted to artificially regulate commodity prices for a variety of reasons. It is to be doubted that history has ever recorded a successful result of such efforts, whether the circumvention was trie dby the Pharaoh's of ancient Egypt or the elected Senators and Congressmen of the New Deal. From King Canute to Franklin D. Roosevelt, the rolling sea has had an invariable answer to political flat—the tide comes in as it always

The taxes necessary to transform this nation from one of free enterprise to that of a "planned economy" have had many unforeseen results, not the least of which has been the moral deterioration of our people. We have become a nation of evaders, avoiders and, in many cases, downright liars. It is not necessary to belabor this point at length, although most lawyers would prefer to debate it. They can be dismissed, however, as their preoccupation is, as usual, 400,000 shs. of stock at \$50 per share\_legal not moral. One result that \$20,000,000 of bonds concerns this topic has come from the 52% corporate income tax.

In past years when financing was necessary for large and wellestablished companies, the decision whether to raise additional funds by floating a bond or a stock issue was governed primarily by the deliberations of boards of directors guided mostly by purely financial considerations regarding earnings, dividend requirements and a balanced capitalization in consonance with the industry and estimates of the company's future prospects. Now a new and powerful force has intruded itself into the making of such a decision.

#### Why Bonds Are Issued

Let us suppose, for example, that a strong and profitable com-pany with 10,000,000 shares of common stock outstanding on which an annual dividend of \$2 is being paid finds it necessary to erect new additions to plant at a cost of \$20,000,000. Let us suppose further that the debt of this company is of reasonable proportions and that the common stock is selling at around \$50 per share. To raise \$20,000,000 the company would have to sell 400,000 shares of common stock or a like amount of bonds. The following facts then obtrude regardless of other considerations—

Earnings Dividend Necessary \$1,666,666

Now a board of directors is com-

posed of human beings, presum- formed young men to ring doorably, subject to all the mental bells on behalf of open-end funds, quirks of others of their species not because they believe in these and prone to deductive instead of things but because the selling cominductive reasoning if the solution mission is 6% and Stock Exchange to a problem appears attractive. In spite of the belief that too much fixed debt is financial heresy, the opportunity to save \$666,666 annually seems attractive and the regulations and chicanery and discompany sells bonds—not stock. regard for basic facts are every-This example must be typical of where. The day of the analyst what has occurred many, many and the statistician has been supwhat has occurred many, many times in the past ten years—figures are hardly necessary to support such a theory. This has inevitably resulted in a greatly decreased ing and honest thinking awaits the issuance of common shares for millennium. The millennium may new investment than would ordinarily have been the case.

This phenomenon has unfortunately been attended by a tremendously increased demand for common stock. There has been, in addition to the normal growth of investors and speculators, huge buying by investment funds of the open-end type, by thousands of investment clubs all over the countries. try, by the initiation of a partial-payment plan by the New York Stock Exchange and by pension funds, insurance companies, trust funds and other similar organizations which formerly had placed their surplus moneys largely in bonds or fixed income issues. This buying has removed large blocks has opened a branch office at of stocks from the supply avail- 257 B 116th Street, under the able. The results of the lessened management of Arthur Adamson. supply and the increased demand are plain to see.

#### Stocks As Commodities

Many stocks have been pushed to fantastic heights, not because of earnings or asset values or even future prospects, but because shares are scarce and demand is high. They have taken leave of all normal statistical appraisal figures and sell, not as equities, but as commodities. If a metal fabricator needs copper he buys it and if enough fabricators need copper at the same time, the price goes with E. F. Hutton & Company, up. Similarly, if enough people 463 North Rodeo Drive. as individuals or fund purchasers feel they need IBM or Ampex or some similar issue, they but it. What difference does it make what they pay for it if they must have it? Such issues are no longer stocks—they are commodities:

#### Blames Some Brokers

The people who have been hurt in this market in the past year have been those who are investors, not speculators; those who have stayed out for good reason, not Cooper. those who rushed in with no reason. Whether this is a healthy situation or not I leave the reader to judge. The seeds of holocaust have been sewn—where and how they will sprout no one knows, they must. The brokerage busi- Co., 235 Montgomery Street. ness cannot be held free of guilt in helping to provide additional impetus to the avalanche. It must carry a heavy burden of guilt.

Old and conservative banking firms have become little better than boiler-shops in many instances. New faces have flocked to what was an investment business and many of them are poorly educated dabblers in finance who have no idea of the true function of a security advisor. Some are completely conscienceless robots who mouth set "spiels" on the telephone with only one idea in mind - to open a new account. They do not know what they are selling and care less. Some are congenital failures who are entering the brokerage business merely to pass the time of day and profit from the habits of the times. Some are retired men from entirely alien fields of business whose ethical concepts are not only very different from those of the investment field but, often, absent altogether. Many houses whose name used to be a by-word for honest

commission is a great deal lower than 6%. Stock Exchange commissions are being split in various under-the-table ways regardless of regulations and chicanery and displanted by the day of the tipster, the opportunist and the side-show "spieler." A return to honest dealbe closer than we think. Stocks are not commodities and cannot be traded as such permanently. The laws of supply and demand have always worked in the past and they always will. All that is needed is for the supply to be in-creased or for the demand to fall off. Then we shall see what we shall see.

LEON H. BLOCK

Simon J. Block & Son Baltimore, Md. Dec. 26, 1958. Estructed view 1

#### Variable Planning Branch

ROCKAWAY PARK, N. Y.— Variable Planning Corporation

#### Three With Skaife

(Special to THE FINANCIAL CHRONICLE) BERKELEY, Calif.—William J. Commerford, Keats O. Hunter and Frank E. Johns have joined the staff of Skaife 3z Company, 3009 Telegraph Avenue.

#### Joins E. F. Hutton

(Special to THE FINANCIAL CHRONICLE) BEVERLY HILLS, Calif.-Herbert Flam has become affiliated

#### With Holt & Collins

(Special to THE FINANCIAL CHRONICLE) SAN FRANCISCO, Calif.-Daniel E. Collins has been added to the staff of Holt & Collins, Russ Building, members of the Pacific Coast Stock Exchange.

#### New Deak Branch

WASHINGTON, D. C .- Deak & examined prospective purchases Co., Inc., has opened a branch carefully, not those who buy on office at 1406 New York Avenue tips or telephone calls; those who under the direction of Paul

#### Scott, Bancroft Adds

(Special to THE FINANCIAL CHRONICLE) SAN FRANCISCO, Calif. — Jackson B. Hanley has been added

#### Spencer, Swain Adds

(Special to THE FINANCIAL CHRONICLE) BOSTON, Mass. - Earle F.

Spencer, Jr. has joined the staff of Spencer, Swain & Co., Inc., 10 Post Office Square.

#### With Shaiman Co.

Special to THE PINANCIAL CHRONICLE) DENVER, Colo. - Joseph M. Jones, Jr. is now affiliated with Shaiman and Company, Boston Building.

#### Paine, Webber in Gary

GARY, Ind. - Paine, Webber, Jackson & Curtis has opened a branch office in the Gary National Bank Building under the management of Le Roy B. Murdock.

#### First Eastern Branch

MILLTOWN, N. J.—First East-ern Investment Corporation has opened a branch office at 134 Cleveland Avenue under the didealing are hiring dozens of uni- rection of Earl H. Christ.

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Are you really too busy to have a health checkup once a year? Or do you put it off because you're afraid your doctor might find something wrong?

If it's cancer you're worried about, remember that doctors are curing many more cancers than they could ten years ago. 800,000 Americans are alive today, cured of cancer . . . many of them because they had made a habit of having annual checkups no matter how well they felt ... all of them because they went to their doctors in time! Make annual checkups & a habit ... for life!

AMERICAN CANCER SOCIETY

# Annual Reports

Mail your ANNUAL report to the Investment houses of the Country. Investors look to them for information on your company throughout the year when planning purchases for their portfolios.

#### ADDRESSOGRAPH SERVICE

We have a metal stencil in our Addressograph Department for every investment banking and brokerage firm in the country, arranged alphabetically by States and Cities, and within the Cities by firm names.

This list is revised continuously and offers you the most up-to-the-minute service available.

Our charge for addressing envelopes for the complete list (United States or Canada) is \$7.00 per thousandapproximately 9,000 names in United States, 900 in Canada.

We can also supply the list on gummed roll labels at a small additional charge.

# KERBERT D. SEIBERT & CO., INC.

25 Park Place REctor 2-9570 New York 7

# What Are the Perils And Pitfalls of Smell

when developed can be a serious especially in the field of arma-cverexpansion that has character-cause for financial difficulties, ments, the government finds that ized much of industry. The pit-Not only are problems generated fewer firms are in position to falls here are similar to those at the employer employee level, supply these items. As a conse-encountered in the discussion of but ineffective communications quence, small companies that had excessive product diversification, a mong managerial personnel relied heavily on government Many firms which expanded when themselves often exist with re-sulting confusion and contradictory policies. Arguments between executives unsettle plant policies and may culminate in the demise of the firm.

#### Product and Market Relationships

It has become common for accountants, planners, and control personnel to point to another pit-fall of small business manage-ment, namely, improper record keeping. Not only have some firms failed to keep adequate specific records but some are guilty of having no adequate records of any type. One of the indirect effects of the numerous government reports that are required today has been to force the small businessman to improve his record keeping. Not only does lack of effective records prevent the forming of an intelligent picture of the operations of the enterprise, but this also may result in numerous errors such as improper cost allocations, incorrect procedures with reference to payroll accounting, excessive prices paid for supplies, improper profit margins, and the like.

Sales management has increased

themselves in dire straits today as a result of drastic changes in

Continued from page 8 government contracting and pro- orders now find themselves out curement. Not only has the gov- of the market, but with no lest themselves paying higher interest and pro- orders now find themselves out money was abundant now find themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves out themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find themselves paying higher interest and pro- orders now find the pro- orders no of many of the items purchased.

As research and development have resulted in more expensive and more complex mechanisms, especially in the field of arma-

Continued from page 8

procurement, but there has been charges incurred when govern-a marked change in the nature ment contracts were flowing their

Another set of circumstances contributing to small business problems has been the general overexpansion that has character-

newed or facing the consequence

of a refusal to renew their loans.

Among the pitfalls, one should not overlook the increasing complexity of internal management concerning such areas as person-nel policies, financing problems, and research and development. Instead of dealing with these as fringe business operations, many of them have become so complex and pertinent to the success of the firm, that specialized manage-ment is needed to handle them. Yet in many cases, the small businessman has failed to admit that no longer is he able to handle these facets that were once his main forte.

In conclusion, it cannot be overemphasized that the fundamental pitfall that confronts the small entrepreneur today is one of management - management of materials and manpower.

DIVIDEND NOTICES

#### REGULAR **OUARTERLY** DIVIDEND

The Board of Directors has declared this day This is a regular quarterly dividend of

25¢ PER SHARE

Payable on February 16, 1959 to holders of record at close of business January 20, 1959.

> Milton C. Baldridge Secretary January 8, 1959

THE COLUMBIA GAS SYSTEM, INC.

GOOD FYEAR COMMON DIVIDEND

> No. 103 The Board of Directors to-day declared the following dividend:

> 60 cents per share on the Common Stock, payable March 16, 1959 to stock-holders of record at the close of business February 16, 1959.

January 12, 1959 THE GREATEST NAME IN RUBBER

American AVISCO **Viscose** Corporation

#### DIVIDEND NOTICE

Directors of the American Viscose Corporation, at their regular meeting on January 7, 1959, declared a dividend of twenty-five cents (25c) per share on the common stock, payable on February 2, 1959, to shareholders of record at the close of business on January 20, 1959.

WILLIAM H. BROWN Vice President and Treasur

0

#### With White, Weld

(Special to THE PINANCIAL ORBONICLE)
MINNEAPOLIS, Minn.—May vin J. Newman has b ciated with White, Weld & Co., Rand Tower. He was formerly with Francis I, du Pont & Co.

#### Joins B. C. Christopher

KANSAS CITY, Mo.—John N. Mann is now affiliated with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange.

#### With Lucas, Eisen

(Special to THE PENANCIAL CHROHICLE)
KANSAS CITY, Mo.—John I. Willhauck, Jr., is now with Lucas, Eisen & Waeckerle, Inc., 916 Wal-nut Street, members of the Mid-west Stock Exchange.

DIVIDEND NOTICES

Harbison-Walker Refractories Company

Also declared a DIVIDEND of 3.45 share on COMMON STOCK, pays March 2, 1959 to shareholders record February 10, 1959.

G. F. Cronmiller, Jr. Vice President and Secretary Pittsburgh, January 8, 1959

# NATIONAL AIRLINES

#### Dividend No.28

The Board of Directors have this day declared a 2½% Common Stock dividend payable January 31, 1959 to Common stockholders of record January 19, 1959.

January 19, 1959.

No fractional shares will be issued but fractional share interests will be settled by purchase or sate through Chase Manhattan Bank, New York, on ar before March 5, 1959. Broken and Mominees will be allowed one week following record date to instruct the bank on purchase or sale order forms required.

R.P.Fereman, Secretary Miami, Florida, January 9, 1959 \_

LATIONA Airline of the Stars

# R. J. Reynolds Tobacco Company

Comel, Winston, Salem & Cavelier cigarettes Prince Albert, George Washington Carter Hall smoking tobacco

#### QUARTERLY DIVIDEND

A quarterly dividend of \$1.00 per share has been declared on the Common and New Class B Common stocks of the Company, payable March 5, 1959 to stockholders of record at the close of business February 14, 1959.

W. J. CONRAD,

Winston-Salem, N. C. Secretary January 8, 1959

**Business Today?** when developed can be a serious

Another managerial lapse has centered around product and market relationships. A number of concerns emphasized one of two product lines that sold well dur-ing the period 1946-50 and for a few years in the early 1950s. Then, realizing that diversifica-tion in product line might be an insurance against business recession, a number of new lines were added, But diversification involves more than just adding a series of unrelated products to an established line. Many firms have found that they could not digest that which they had created. New production problems, varied types of marketing situations, and the very inability of a limited management to handle a complicated structure have combined to render many of these enlarged operations unprofitable. Some have been saved by dropping all or part of the newer items, but others have been forced into bankruptcy. A serious managerial decision must be made in this regard. On the one hand, the failure record is replete with instances of those companies that did not succeed because they failed to diversify. Yet, on the other hand, improper diversification has brought in its wake a series of failures. The proper decision is not an easy one. But, for those firms having effective management, the chances of survival certainly are enhanced.

#### Sales Efforts

tremendously in importance for today's businessman, small as well as large. Frequently in the past five or ten years, salesmen were in effect order takers. Buyers eagerly sought every potential source of supply. But in the pres-ent-day market, where competition has become more keen and buyers are able to sit back and wait, effective selling again has become important. As a consequence, effective managerial principles should be applied to sales efforts in the same way that they have been applied to production, personnel, relationships, and fi-

A number of business firms especially smaller ones -- find

# Dealer-Broker Investment Recommendations & Literature

Amott, Baker & Co. Incorporated, 150 Broadway, New York

38, N. Y.

Review & Forecast—Bulletin—Schweickart & Co., 29 BroadWay, New York 6, N. Y.

Review & Preview for 1959 — Report — Milwaukee Company,

207 East Michigan Street, Milwaukee 2, Wis.

Shipbuilding Industry in Japan—Survey—Nomura Securities
Co., Ltd., 61 Broadway, New York 6, N. Y. Also in the same
issue of the Nomura Monthly Stock Digest are data on
Toyota Motor and Mitsubishi Shoji, and a review of the Japanese economy.

Tax Free Dividend Payers—Booklet listing 222 common stocks free of personal property taxes in Pennsylvania which have paid dividends for 25 years or more—Moore, Leonard & Lynch, Union Trust Building, Pittsburgh 19, Pa.

Allied Laboratories, Inc. - Analysis - Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Alis Chalmers Manufacturing Co.— Memorandum — Green,
Ellis & Anderson, 61 Broadway, New York 6, N. Y.

American National Insurance Company — Data — Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa. American Telephone & Telegraph — Discussion — Ralph E. Samuel & Co., 115 Broadway, New York 6, N. Y.

Aztec Oil & Gas Company—Analysis—Granbery, Marache & Co., 67 Wall Street, New York 5, N. Y.

Bayview Oil Corporation—Analysis—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.

E. W. Bliss—Data—Herbert E. Stern & Co., 52 Wall Street, New York 5, N. Y. Also in the same circular are data on Scovill Manufacturing.

Brown Forman Distillers Corporation - Analysis - Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y.

Bullard Co. — Data — du Pont, Homsey & Company, 31 Milk

Street, Boston 9, Mass. Also in the same circular are data on

Pittsburgh Coke & Chemical, Bohn Aluminum & Brass, and

Sherritt Gordon. Copeland Refrigeration Corporation — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are reports on Granite City Steel Company, Brown Company, Commonwealth Life, Raytheon Manufacturing

and Arkansas Louisiana Gas.

Crown Cork & Seal—Analysis—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y. Also in the same circular are analyses of Riegel Paper Corp., Air Products Inc., Portland General Electric, Atchison Topeka & Santa Fe, and

Atlantic Coast Line Railroad Co. Emery Air Freight Corp.-Memorandum-Shields & Company, Wall Street, New York 5, N. Y.

Flying Tiger Line Inc.—Report—Harbison & Henderson, 210 West Seventh Street, Los Angeles 14, Calif.

General Devices, Inc.—Report—Meade & Company, 27 William Street, New York 5, N. Y.

Kennametal-Information on applications of Kennametal as an engineering material-Kennametal, Inc., Latrobe, Pa. Laclede Gas Company-Annual report for 1958-Laclede Gas Company, 1017 Olive Street, St. Louis 1, Mo.

Street, New York 4, N. Y.
National Airlines — Review — John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

National City Lines—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is an analysis of Addresso-

Stash Multigraph Corp.

Newmont Mining Corporation—Report—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

Oklahoma Gas and Electric Company—1958 annual report—
Oklahoma Gas and Electric Company, 321 North Harvey, · Oklahoma City 1, Okla. Pearl Brewing Co.—Memorandum—Dittmar & Co., 201 North

St. Marys Street, San Antonio 5, Texas.

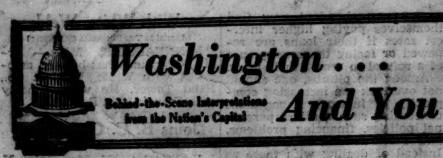
Precision Transformer Company—Report—John R. Boland &

Co., Inc., 30 Broad Street, New York 4, N. Y. Rucker Plan Data on incentive plan for executives + Eddy-Rucker-Nickels Company, Harvard Square, Cambridge 38, Massachusetts.

Russell Manufacturing—Analysis—John C. Legg & Company, 76 Beaver Street, New York 5, N. Y. Sheraton Cornoration of America-Analysis-Sutro Bros. & Co., 625 Madison Avenue, New York 22, N. Y

Sinclair Oil Corp.—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of White Motor Company and of Automobile Stocks. Strategic Materials Cornoration-Analysis-Gersten & Frenkel,

150 Broadway, New York 38, N. Y.
Studebaker-Dakard vs. Botany Mills-Report-Lerner & Co., 10 Post Office Square, Boston 9, Mass.



enormous passenger - deficit problem of the American rail-roads again has been brought to the fore of official Washingtop. Congress and the Interstate Commerce Commission could, if they will, do something to aid the industry and transportation generally.

Both the law-makers and the ICC have an obligation to the people, as well as to the rail-roads. In 1957 alone the railroads of this country chalked up a passenger deficit of \$723,483,-000. As a matter of fact the deficit has been climbing to a point where it is extremely cri-

With the exception of the four wartime years of 1942, 1943, 1944 and 1945, the rail-roads have had a passenger deficit every year since 1936.

1956 the deficit was \$696,000,-000 and the year before that it was \$636,000,000. Now the deficit problem is so great that something is going to have to

Last September ICC Examiner
Heward Hosmer made the
headlines in a 75-page plus report after hearings that the way
things were going it looked to
him like the railroad passenger
business was coming to the end
of the line. He expressed belief
that, in another decade, the passenger coach may take its place in the transportation mu-neum along with the stagecoach, the side wheeler, and the steam omotive.

Contrary Views and Suggestions The ICC, as a result of the prediction that the passenger trains are headed for oblivion, has received exceptions to the report. Examiner Hosmer's report was designed to inform the Commission about the pasnger business and the cause of

the deficits year after year. Who are filing the exceptions, comments and statements with the ICC? Officials of American railroads, the Department of Defense, the National Association of Railroad and Utilities Commissioners, the National Coal Association, the General Services Administration, and others

The National Coal Association declared with emphasis that the st possible and just relief that the ICC could render in view of the report would be to rule that unprofitable passenger service generally is not required by public convenience and necessity. Therefore, it should not be continued at the expense of either the shippers or the stockholders of the railroads.

The National Association of Railroad and Utilities Commissioner declare that the Hosmer report should not be adopted by the Commission on the ground that "the adverse effect of such a defeatist document cannot be overemphasized." The General Services Administration, the Federal Government's housekeeper, suggested further pro-seedings in order that the ICC ight determine the types of trains which should continue operating or be discontinued. GSA also suggested a possible change in fares that would attract more passengers, and per-haps improvements in service and equipment, which the railreads might provide.

Puts Blame on Government

The Association of American Railroads declared that the record abundantly support Examiner Hosmer's view that the paramount underlying cause of the passenger traffic loss has been governmental promotion of been governmental promotion of air and highway transportation. Major contributory causes have been "the inflationary cost spi-ral, archaic and outmoded bases of compensating passenger train service employees, excessive and inequitable tax levies and the imposition of the Federal tax on transportation," according to the presentation filed by the AAR's general solicitor.

The railroads maintain that although the Commission's jurisdiction does not embrace all things, nevertheless the agency should make a concerted effort toward pointing the way toward a solution of the problem.

#### Impact of Labor Strife

The railroads and many members of Congress have long felt that the ICC has over-regulated railroads. As to the labor costs, railroads' presentation to Commission declares that the record of the national transthe record of the national transportation policy bears adequate evidence to support a finding that one of the principal contributing factors to the passenger train service deficit has been the inability of railroad labor and management to arrive at the passenger that respect to the passenger that the passenger to the passenger to a private that respect to the passenger to the p at terms that permit economical and efficient passenger train

The recent series of strikes by airlines stimulated railway passenger service in some sections. The strike also stimulated interest in reviewing the Railway Labor Act, because the strikes on airlines are within the scope of the Railway Labor Act. Secretary of Labor Mitchell recently appropriated plans for an action ly announced plans for an early conference to determine wheth-er or not the act needs amend-

Some of the railroads are planning on experimenting with fares in an effort to try and at-tract more passengers. For in-stance the New Haven Railroad, effective Feb. 1, is planning on a nine-month trial, hopeful of landing new business. New Haven will offer a round trip fare which will be 180% of two first class one-way fares. Tickets will be good for 30 days. The reduced rates for first class is effect on coacnes, fective March 1, New Haven will offer family fares.

#### Rails' Most Pressing Problems

With Congress returning, the Association of American Railroads issued a 19-page printed report, and entitled it "The Urgent Six." Probably every Congressional office received a copy of the report. Out of a score of major problems confronting the railroads, the ones that the carriers regard as the most serious, and therefore the most urgently in need of attention by Congress, "The Urgent Six" were clearly and concisely outlined at the beginning of the phamplet. Here is the way they are listed:

(1) Railroads still are required to help pay for highways, airways, airfields, and waterways, but do not bave the same opportunity as other taxpayers to use these facilities for a business

(2) Fully self-supporting, taxpaying railroads still are unfair-

#### **BUSINESS BUZZ**



"Never thought I'd see the day we'd have a criminal in our own club—J. C. just received a summons for jay-walking!"

ly handicapped by having to meet competition that is tax-

(3) A 10% travel tax imposed in World War II to discourage use of public carriers continues —14 years after the war—to do

(4) Railroads must continue to bear the full cost of unemployment insurance benefits for employees that far exceed benefits under programs covering other workers.

(5) Railroads still are deprived of equal opportunity to share in transporting agricultu-ral commodities, which when transported by motor truck are exempt from regulation by the Interstate Commerce Commis-

(6) Vitally needed modernization of railroads continues to be frustrated by unsound policies governing depreciation of plant and equipment.

#### More Relief Sought

At the 1958 session Congress passed the Transportation Act repealing Federal excise tax of 3% on freight charges. Obviously the industry greatly wel-comed enactment of the meas-ures. Apparently the railroad industry has made up its mind that it is going to make an allout effort to get Congress to enact additional measures during the 86th Congress in an effort to get the railroads on sound transportation grounds.

The 10% World War II travel tax is adding about \$200,000,000 a year to transportation costs in this country. The railroads be-

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lieve that they would be helped greatly if that tax were re-pealed. The carriers contend that the revenue loss to the government, if the tax were re-pealed, would be partially off-set by an increase in revenue from the income tax. The tax applies only to those traveling within the United States, and does not apply to overseas travel.

[This column is intended to re-flect the "behind the scene" inter-pretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

# Business Man's Bookshelf

American Economy 1959-Internal and external problems facing the American economy discussed in a series of 13 articles in the "Saturday Review".—
Saturday Review, 25 West 45th Street, New York 36, N. Y., 25

**Business Loans of American Com**mercial Banks-Edited by Benjamin Haggot Beckhart — The Ronald Press Company, 15 East 26th Street, New York 10, N. Y.,

Business Outlook for 1959 in 26 World Markets—Business International, 200 Fourth Avenue, New York 3, N. Y., \$26.00.

TELETYPE NY 1-971

Department of Labor Reports
Characteristics of Pension
Plans, Plant Adjustments to the
\$1 Minimum Wage; State Employment, 1951-57; Factor
Labor Turnover October, 186
— U. S. Department of Labor
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Ninth Avenue; New York 1
N. Y. (on request).

Edited by David W. Ewing
Harper & Brothers, 49 East 33m
Street, New York 16, N. Y.
(cloth) \$6.

People - Frederick C. Dyer - Prentice-Hall, Inc., 70 Fifth Avenue, New York 11, N. Y. (cloth), \$4.95.

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Federal Wage Hour Handbook for Banks — Supplement I to the 1956 Edition—Bank Personnel Administration Department American Bankers Association, 12 East 36th Street, New York 16, N. Y., \$1.00.

Foreign Exchange Regulations in Great Britain, Supplement 15-Bank for International Settle-ments, Basle, Switzerland, 18 Swiss francs,

Fundamentals of Corporation Fi-Revised edition — Rinehart & Company, Inc., 232 Madison Avenue, New York 16, N. Y. (cloth), \$7.00.

Guide to State Employment and Earnings Statistics — Directory of industry coverage for New York, New Jersey, Pennsylvania, Delaware, Maryland and District of Columbia—U. S. Department of Labor, Buteau of Labor Statistics, 341 Ninth Avenue, New York 1, N. Y. single copies on request.

Management of Scientific Man-power—American Management Association, 1515 Broadway, New York 36, N. Y., \$3.75.

Manpower Studies: Young Workers Under 18, Today and Tomorrow—20c; 1958 Handbook of Women Workers—45c; Help for Handicapped Women, 1958—40c—U.S. Department of Labor, 34l Ninth Avenue, New York 1, N.Y.

Marketing Reference Bureau Index of Advertising & Marketing Publications — MRB Index of Advertising and Marketing Publications, 1616 Pacific Avenue San Francisco 9, Calif., \$27.50 per year (published monthly).

President's Guide—Prentice-Hall, Inc., Englewood Cliffs, N. J., \$35.00.

\$35.00.

Puerto Rico Water Resources Anthority—Annual Report—Puert Rico Water Resources Authority

Reporting Sales Data Effectively
—Elizabeth Marting—American
Management Association, 1513
Broadway, New York 36, N. Y. \$12.00.

Research Approach to the Leisure Time Challenge — Stanford Rerch Institute, Menlo Pa Calif. (paper).

Reshaping Foreign Policy Amic Revolutions — Foreign Policy Association, Inc., 345 East 46th Street, New York 17, N. Y. (paper) 35 cents.

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New York 7, N. Y., Thursday, January 15, 1959

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# Monthly Range of Prices on the New York Stock Exchange During 1958

THIS SECTION contains a tabulation showing the high and low prices, by months, for the year 1958 of every bond and stock in which dealings occurred on the New York Stock Exchange. The record for stock issues start on page 2, for bonds on page 18.

# **Business and Finance Speaks**

After the Turn of the Year

THE CINIONS of many of the nation's leading executives on the outlook for business during 1959 appear in the FIRST SECTION of today's ANNUAL REVIEW NUMBER JAN 16 1959

For financial institutions

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# NEW YORK STOCK EXCHANGE

The tables which follow show the high and low prices, by months, for the year 1958 of every bond and every stock in which any dealings occurred on the New York Stock Exchange. The prices in all cases are based on actual sales.

COURSE OF PRICES OF RAILROAD AND MISCELLANEOUS STOCKS AND BONDS FOR 1958

STOCKS I WAL	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Lew High	October Low High	November Low High	December Low High
Auton Chicken	88	PI 21	i i en O	aga	Kelia	Lin		207	work.			4,51.00
Abacus Fund  Abacus Fund  About Lacoratories  A convertible preferred  Lacoratories  A convertible preferred  Lacoratories  A convertible preferred  Lacoratories  Lacorat	19% 24% 20½ 22% 24½ 26%	32 33 47 49 ¼ 103 ¼ 105 15% 16 ½ 42 45 ½ 15¼ 17 ½ 20 ¼ 22 ½ 21 ¾ 22 ½ 25 ¾ 26 ½ 154 163 ½ ————————————————————————————————————	32 34 1/4 47 % 54 % 105 % 109 15 % 43 % 16 % 43 % 16 % 18 % 20 1/8 22 % 22 1/4 22 % 25 % 26 % 154 180 	33½ 36¾ 51. 57¼ 106 108½ 16¼ 17½ 40% 43% 43% 16% 17½ 19¾ 20% 21½ 23 26¼ 27% 171 188	36½ 37¾ 54½ 57% 107½ 110½ 17¼ 19¼ 38¼ 40% 17% 20% 19¾ 21% 22% 23% 22% 30¼ 182 193  8½ 10% 17% 19%	373/4 40 53/6 579/6 106/2 110/2 177/2 187/6 38 40/12 195/8 205/8 20 22 22/3/4 24/4 28 29/4 188 203 	36½ 39 56½ 59¼ 110¾ 112 17¾ 18½ 37¼ 42⅓ 17¾ 19½ 20¾ 25½ 23¾ 31½ 200 225 9½ 10¾ 17¾ 200 25 25 21 200 20 25 20 20 20 20 20 20 20 20 20 20	36 39. 5776 61½ 111½ 113 1734 20½ 3954 4538 18 19½ 23¼ 2578 2458 25½ 31½ 32½ 220 257	38 39¾ 59⅓ 67½ 107 114¼ 18¾ 20⅓ 39⅓ 43¾ 18⅓ 22¾ 23⅓ 26 25 26⅓ 30⅓ 32 245⅓ 270⅓ 82⅓ 90⅓ 12¾ 15⅓ 18¾ 20	36¾ 38¾ 62¾ 68¾ 109¾ 115 17¾ 20¼ 49¾ 20½ 25¼ 29¼ 25¼ 33½ 25¼ 33½ 82 94 1¾ 13¼ 15⅓ 15⅓ 18¾ 20½	37% 39 65½ 71% 113 120 18% 20¼ 44½ 49% 21 24% 25½ 27 26¼ 28% 31% 33¼ 85½ 97 15 18% 19% 25%	39¾ 40½ 64 70½ 117 120 18¾ 1976 45½ 4878 23 24½ 26¾ 26 29¾ 31 33½ 90¼ 96 17¼ 1976 22¾ 25½
tetna-Standard Engineering Co	24% 28% 2% 2% 11% 14% 108 130 14 17½ 72 74½ 4% 5½	21½ 23 51½ 55% 200½ 206 27% 28% 2½ 3 13½ 14¼ 109½ 110½ 16% 18 72½ 74 4½ 5 80½ 87	21¼ 22¼ 52 56¼ 204 210 28 31 23% 3⅓ 13% 14⅓ 109 1113¼ 173¼ 18⅓ 73⅓ 75 14⅓ 165 200 81 87⅙ 15⅓ 18⅙ 215⅓ 18⅙ 215⅓ 18⅙ 215⅓ 18⅙ 215⅙ 215⅙ 215⅙ 215⅙ 215⅙ 215⅙ 215⅙ 215	20% 23% 49¼ 55 198¾ 198¾ 30¾ 32% 3 13% 163% 111: 114 18½ 21 75 80 43% 211 82 87½ 14½ 17½	21 25 \\ 24 54 \\ 259 \\ 31 \\ 206 \\ 2 206 \\ 31 \\ 23 \\ 31 \\ 25 \\ 31 \\ 31 \\ 25 \\ 31 \\ 3	22½ 24% 56% 60% 56% 60% 31½ 32½ 31½ 32½ 31½ 16 117¼ 113 116 18 19 75½ 77½ 5% 6½ 215 220 93% 102½ 16% 18%	22 <sup>3</sup> 4 24 <sup>3</sup> 4 56 <sup>5</sup> 8 64 225 <sup>1</sup> 4 225 <sup>1</sup> 4 31 <sup>3</sup> 4 33 <sup>3</sup> 8 3 <sup>1</sup> 4 5 16 <sup>3</sup> 8 18 <sup>3</sup> 8 115 115 <sup>1</sup> 4 18 <sup>1</sup> 4 19 <sup>7</sup> 8 75 77 5 <sup>1</sup> 2 7 <sup>1</sup> 6 220 280 97 <sup>1</sup> 4 112 16 <sup>1</sup> 2 19 <sup>7</sup> 8	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	23¼ 27½ 64 69% 248 248 31½ 32¾ 3½ 4½ 17½ 18% 21½ 75 77 7¼ 8% 105½ 109 114 144 19% 26¼	25¼ 28½ 68½ 73½ 31¼ 32¾ 3¼ 35½ 19½ 20% 78¼ 75% 9¼ 101 103½ 131 143 22% 28	24 27 ½ 71 ¼ 83 ½ 32 % 33 ¾ 31¼ 37½ 18 ½ 20 % 20 ¾ 24 ½ 78 ¼ 80 ½ 8 % 9 ¾ 91 95 ¼ 91 155 ¾ 26 29	27 31½ 7778 8134 297 297 32½ 34 334 4½ 16½ 20⅓ 23¼ 26 79 80⅙ 834 10⅙ 93½ 93¾ 145 160 27⅓ 33
Illegheny Ludium Steel Corp	27 305	32 1/6 34 1/4 194 194 194 194 194 194 194 194 195 195 195 195 195 195 195 195 195 195	34% 37% 95% 13% 13% 13% 13% 13% 480 23 24% 43% 49% 30 32% 47% 47% 76 79% 23% 25% 99 31% 34% 34% 27% 32% 34% 34% 34% 37% 76% 77% 32% 34% 34% 34% 37% 74% 76% 77% 32% 32% 34% 34% 34% 34% 34% 34% 34% 34% 34% 34	31% 34% 91 95% 13 13% 24% 24% 24% 47% 47% 43% 47% 48% 28% 20% 30% 33% 26% 28% 26% 68% 26% 26% 26% 26% 26% 26% 26% 26% 26% 26	3258 3714 92 9512 13 1312 7414 7812 2414 2578 3936 4614 3234 3534 1012 1238 4266 47 7858 80 2216 2478 95 96 3034 3216 2612 2814 6458 7012	33 1/8 37 1/2 91 95 1/2 13 3/6 14 78 1/2 16 33 3/4 35 36 1/2 10 7/8 12 1/4 41 45 96 98 31 3/6 32 1/2 26 27 7/6 65 5/6 71 3/8	33% 44% 93 94 13½ 14½ 76% 88 28½ 30% 36¼ 41 36½ 39% 11¼ 12% 42½ 45 79 82½ 23% 27½ 98 103 32¼ 36¼ 36¼ 26½ 29% 69½ 79%	401/8 431/2 94 98 14 147/8 14 147/8 281/8 303/4 381/4 418/8 37 387/8 121/8 13 441/2 47 80 811/2 257/8 28 102 1023/4 333/4 363/4 281/4 333/8 77 841/2	43 47½ 94½ 96½ 14¾ 15½ 87¼ 93½ 28¾ 30¾ 42½ 45¾ 37% 40¾ 12 13½ 46⅙ 50¾ 76½ 80¼ 25% 28¾ 102 108 35¾ 37¼ 28⅓ 32¾ 76½ 90	40% 49¼ 97 14¼ 15¼ 15¼ 15¼ 15¼ 29% 32 41% 45% 40% 43% 12 13¼ 48 50% 76 79¼ 27% 29% 10% 10% 13% 42% 31¼ 38% 82% 96% 96%	4434 4936 9514 9612 1336 1434 88 9512 2836 3236 4212 4936 39 4114 1014 1236 4914 5315 77 7912 2636 2934 107 111 3712 4236 3036 3446 8236 89	44 14 48 98 96 14 100 12 14 12 14 12 88 14 95 18 30 14 46 12 57 38 12 40 34 10 15 11 34 52 14 55 18 76 82 12 27 14 30 18 10 5 34 10 81 2 37 12 37 12 33 14 85 12 94 18
Amalgamated Leather Cos Inc—  6% convertible preferred 50  Amalgamated Sugar Co (The) 1  Amerace Corp 12.50  American Agric Chemical (Del) 4  American Afrines Inc 100  American Bakeries Co 4  4½% convertible preferred 100  American Bank Note Co 10  6% preferred 50  American Bosch Arma Corp 2  American Brake Shoe Co 4  4% convertible preferred 100	54 37¾ 88¼ 93¼ 64¼ 70¼ 14¾ 17% 85¼ 90 34¼ 37% 97% 100 29¾ 32¼ 60 62	24 24¼ 30½ 32¾ 33% 39¾ 81 90¾ 69¾ 71½ 16¾ 18¾ 88½ 91 36½ 39 99 100 29¼ 29% 60¼ 61 19¾ 21¼ 35⅓ 37%	22½ 24 31 32 37¼ 40½ 83½ 93¼ 69¾ 71½ 16½ 17¾ 88 90 37¾ 39¼ 100 102 27½ 29½ 59¾ 60½ 19½ 22% 35 37¾ 80	24½ 52 32½ 34 36¾ 39½ 87¼ 89¾ 67½ 75¾ 15¼ 18⅓ 88% 92½ 39½ 42¾ 102 108½ 27⅓ 26¼ 59¾ 61 21 22¾ 34¼ 36¼ 79 86	30½ 48 34¼ 37 38½ 45% 91 98% 73% 76% 17¾ 96 40% 42¼ 104% 301¼ 61 66½ 20% 24½ 34¼ 35⅓ 90 99½	34 36% 35¼ 36 42¼ 45½ 96¼ 105¼ 74 78 18% 20¾ 95½ 100 40¾ 41% 105¾ 108 30¼ 32½ 59 66 23½ 26⅓ 34% 38%	31 33 35 ½ 36½ 43 45¾ 101½ 111¾ 75 ½ 78½ 19% 217% 98½ 105 41¾ 44% 105 31¾ 35 % 59¼ 61½ 23¾ 25% 37½ 41	30½ 36 35¼ 36½ 43¼ 45¼ 105¾ 1107% 78 89¾ 21½ 23¼ 105 111¼ 42½ 44 105 107½ 34 35¾ 61 62 24¾ 27½ 39¾ 41%	34½ 34½ 36½ 38½ 43½ 49¼ 108 114% 77½ 89 21½ 23% 104 111½ 4134 43 103 107 34 36 61¼ 62 25½ 27% 40 43%	34 351/a 37 371/2 441/2 473/4 1021/2 1123/a 783/4 871/2 223/a 253/4 110 1253/4 42 43 107 111 38 403/a 611/a 63 233/4 291/a 411/2 443/a	32½ 33 37½ 40½ 47 51% 99½ 108½ 83 87½ 23¾ 25¾ 119 122½ 42% 44% 105 111 38⅓ 39¼ 64 65¼ 27% 36¼ 41¾ 44½	32 1/6 33 1/4 40 42 1/2 48 53 7/8 98 103 3/4 85 1/2 90 22 5/6 24 7/8 108 119 44 1/4 107 1/4 108 1/2 37 3/4 39 58 1/2 60 1/2 32 3/4 37 3/4 47 3/4

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Amer Broadcasting-Paramount The- atres Inc	1 13 15% 1 19 19 1 3% 4% 0 41% 43% 5 40% 42% 39½ 45%	13% 15% 13% 19 19 19 19 4 4½ 4 42% 43¼ 42% 40 41% 40 41½ 45¾ 41½ 66% 69% 67¼	16¾ 15½ 18 19 19 19 43½ 4 4½ 443½ 42¾ 48 413½ 40¾ 42½ 45¼ 413½ 44¾ 71½ 69½ 74½	16% 17% 19¼ 19¾ 4% 5¼ 46% 47% 41¼ 42 43% 45%	17% 18% 19 19 4% 5% 47% 49% 40% 42% 43% 44% 74% 80%	17% 19% 19 19 5 6 47% 50% 40% 41% 47% 77% 83	18½ 20½ 19 19 5% 6% 45% 48¼ 39 41¼ 46¼ 49% 78 83%	19 20% 19% 20% 6% 7% 46% 50 37% 39% 47 51 78% 83%	19¼ 21 19½ 20 6½ 7¾ 48¼ 52¼ 37¾ 40 47½ 50¼ 78 89½	19% 22 19½ 19¾ 7 95° 48¾ 52¾ 38¾ 39½ 475° 49¾ 89 107	19½ 20% 19 19½ 7% 9½ 48% 51 38½ 39% 47% 49 92½ 98¼ 45¼ 47%
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American Export Lines Inc	1134 1274 0 3836 4336 0 1634 2016 0 75 95 1 73 81 1 13 1414 0 94 95½	23 24½ 22¾ 12¾ 13¼ 12¼ 39¾ 42½ 40¾ 18¾ 21¼ 20¾ 85 88 80 78 80¾ 79¼ 14 15 15 96 96 13 14 13	24% 23% 25½ 13% 12% 14% 44% 41% 45% 22% 88 79 86 83% 81 91¼ 16½ 15% 16 105 108 13% 13%	12% 14% 22% 24% 78 86% 89% 95% 15% 16%	23 <sup>3</sup> 4 25 <sup>3</sup> 4 13 <sup>3</sup> 4 15 <sup>3</sup> 6 22 <sup>3</sup> 4 24 81 <sup>1</sup> 2 85 93 <sup>3</sup> 4 106 <sup>3</sup> 4 15 <sup>3</sup> 4 16 <sup>1</sup> 4 13 <sup>3</sup> 4 14 <sup>1</sup> 6	25 1/6 27 14 7/8 16 1/4 22 5/8 25 7/8 81 84 1/4 97 1/6 106 16 3/6 17 3/4 104 104 13 3/4 14 1/2	26¼ 28¾ 17% 17% 24½ 27¾ 82 85¼ 103 108½ 18 102 108 14½ 15	26 % 28 16 17 % 26 32 % 82 85 104 113 16 17 14 % 15 %	2634 28% 15% 1834 304 36% 82 884 110 123% 15 164 105 105 1514 15%	27¼ 30 16 18½ 34¾ 41 86 93 121¼ 132 15¼ 15¾ 15¾ 17¼	28 30% 1634 1734 30 41% 8834 92 12335 134 14 1676 101 101 16 17
American Investment Co of Iil  5\%\% prior preferred 10  American Machine & Foundry Co 3.90\% preferred 10  American Machine & Metals Inc  American Metal Climax Inc A  4\\\2\% preferred 10  American Metal Products Co 5\\\2\% convertible preferred 20	0 96 100 7 32¼ 36% 0 79 79 47½ 52¼ 17½ 19% 0 92 92½ 2 20% 22½	17¼ 18¼ 17¾ 98 99¾ 100 34¼ 37% 34½ 82½ 83½ 81½ 50 53¾ 52¼ 19 20¾ 19¾ 93½ 93½ 20½ 21 20⅙	18½ 18¾ 19½ 100 100½ 102 37% 34½ 36½ 82½ 81½ 84½ 57½ 51¾ 55½ 21% 18¾ 20% 23¼ 20½ 94	102 104 33% 35% 84½ 84½ 50¾ 53¼ 20% 22¼ 95½ 95½	1834 1936 105 111 3336 3714 8442 8542 5114 55 2246 2448 96 9614 21 2376 2436 2496	19 21½ 102 103½ 36¼ 38½ 85½ 85½ 52 55 223¼ 25½ 96½ 97 203¼ 22¾ 23¼ 24½	20½ 21¼ 100 101½ 37% 42% 81 83 54¾ 58¼ 23% 26¼ 96½ 96½ 21½ 23¼ 24¾ 24¾	18% 20% 99% 101% 40% 47% 81% 84 55% 63 23% 25% 96% 22% 24% 27	19% 21½ 99 101½ 45% 54% 80¼ 83 60¼ 83 42 4% 30% 99 102 23¼ 26 27½ 27¾	19% 20% 101% 102% 51% 59% 79% 81% 64% 70 25% 28% 96% 99% 23% 25% 26% 27%	19½ 20 102 103 51¾ 57¼ 81 83 65¼ 68½ 25¾ 28 97 98 23½ 31 26⅓ 32½
American Molasses Co. American Motors Corp.  When issued. American Natural Gas Co. 2 American News Co. American Optical Co. American Potash & Chemical Corp. Amer Radiator & Standard Sanitary. 7% preferred. 10 American Seating Co. 1 American Ship Building Co. American Smith Building Co. American Smelting & Refining Co. 7% preferred. 10	5 8 9% 5 48½ 58 • 20% 26½ 1 36% 38¼ • 39 42¼ 5 11¼ 13% 0 154 155½ 0 22¼ 25¼ • 56 63¼ • 35¾ 40	54% 60 51%	13¼ 12¾ 14¾ 9 6½ 12¼ 59¾ 57½ 60¾ 28⅓ 25¼ 27 39⅓ 36⅓ 36⅓ 14¾ 11⅓ 13 156 156 156 27⅓ 26 28¾ 56⅓ 43¾ 65 46⅓ 39 45¾ 148 145 153¾	11 14% 57% 61% 23% 26% 36% 38 34 38 11% 12% 153 157 28 30% 56 68 42% 45%	14 15% 11 13% 59% 63 24 25 36% 38¼ 37¼ 40% 11% 13¼ 153 154½ 28 29½ 58 61½ 43% 46% 148 155	13% 14% 113% 15½ 58% 62 23% 25½ 36% 38% 39% 46½ 12% 13% 151½ 152 27% 30¼ 53½ 63 42% 48½ 144 154½	13½ 14½ 14 17½ 58½ 60¼ 25% 28¾ 34% 38% 44¾ 49¾ 13½ 14¾ 151 154 29 32 52½ 60¼ 42¾ 47 142¼ 147½	14 15 1/4 16 1/6 21 3/6 58 5/6 61 27 28 3/6 34 37 45 5/4 12 3/6 12 3/6 12 3/6 149 3/4 150 30 3/6 32 55 1/4 58 1/4 141 1/4 145	14% 15¼ 16% 16% 16% 16% 16% 16% 16% 16% 16% 16%	14% 16% 29% 36% 36% 36% 36% 37% 40% 41 48% 146 31% 34% 55% 61 46% 41 46% 41 46% 41 46% 31% 34% 55% 61 46% 50% 141 145	15¼ 16¾ 31½ 30¼ 38¼ 63 66¾ 32½ 35¼ 37% 40% 41¼ 45¼ 16¾ 147 32⅓ 34¼ 58¾ 58⅓ 44¼ 145 58⅓ 14¼ 144¾ 144¾ 144¾ 144¾ 144¾ 144¾ 144¾
American Snuff Co	0 11734 1211/2 1	122 124 123  30 33 30  67 72 6794 2594 2916 2714 32 3396 3296 9 913 914 17114 17314 17094 213 34 213 7434 8134 7696	1134 10 1094 17234 171% 17796	31% 33% 68½ 74% 28½ 30% 33% 33% 9% 10½ 174% 178%	52½ 54¼ 123% 125½ 31% 34% 72 75% 28¼ 31 32% 34 10% 11½ 176½ 179½ 83 89¼ 128¾ 134½	52 53% 125 126 33% 37% 74 77% 28% 34 32% 34% 10% 12% 17% 180% 85% 89% 127% 131	54 57% 122½ 126	56¼ 56% 121½ 124  36 41% 78 93¾ 32¼ 34¼ 32¼ 34¼ 11% 135½ 184 195½ 85¼ 90½ 119% 124	56% 59% 119 123 23 24 41% 83 92 32% 34% 11% 14% 189% 196 89 92 120 122%	100 100	59 <sup>1</sup> / <sub>2</sub> 61 120 <sup>1</sup> / <sub>2</sub> 122 <sup>1</sup> / <sub>2</sub> 27 <sup>1</sup> / <sub>4</sub> 29 <sup>2</sup> / <sub>5</sub> 40 <sup>1</sup> / <sub>4</sub> 45 <sup>2</sup> / <sub>6</sub> 89 <sup>1</sup> / <sub>4</sub> 105 33 <sup>1</sup> / <sub>5</sub> 35 <sup>1</sup> / <sub>4</sub> 34 35 <sup>1</sup> / <sub>4</sub> 12 <sup>1</sup> / <sub>5</sub> 14 <sup>1</sup> / <sub>6</sub> 196 <sup>3</sup> / <sub>4</sub> 227 <sup>1</sup> / <sub>6</sub> 93 97 <sup>1</sup> / <sub>4</sub> 123 126 <sup>3</sup> / <sub>4</sub>
American Viscose Corp.  American Water Works Co Inc.  Preferred 6% series.  Preference 5½% series.  2 American Zinc Lead & Smelting Co.  Amphenol Electronics Corp.  Anaconda Company.  Anaconda Wire & Cable.  Anchor Hocking Glass Corp.  Common when issued.  \$4 preferred.  Anderson Clayton & Co.  Anderson Prichard Oil Corp.  Andes Copper Mining Co.  Archer-Daniels-Midland.	55 9% 10½ 15 26 27 15 23¼ 24¾ 1 10¾ 1 12¾ 1 12¾ 1 12¾ 1 12¾ 1 45½ 1 45½ 1 88 93¾ 10 33 36¼ 10 22 25½ 10 4 26¼ 10 22 25½	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	29 1/4 27 1/2 31 11 5/6 11 3/6 12 1/4 28 1/4 26 3/2 27 3/2 26 1/2 24 3/4 26 3/4 12 1/4 10 3/4 12 26 1/4 23 1/2 25 3/4 48 42 3/4 46 1/4 57 47 1/4 52 1/4 88 1/4 23 3/4 37 3/4 26 1/4 23 3/6 26 3/4 28 3/4 25 3/4 26 3/4 34 36 32 1/8 33 3/6	2 26 <sup>3</sup> / <sub>4</sub> 28 25 <sup>3</sup> / <sub>4</sub> 26 <sup>3</sup> / <sub>4</sub> 11 11 <sup>3</sup> / <sub>4</sub> 24 <sup>3</sup> / <sub>6</sub> 27 <sup>3</sup> / <sub>6</sub> 42 <sup>5</sup> / <sub>6</sub> 46 <sup>3</sup> / <sub>6</sub> 49 52 49 52 49 54 2 100 100 2 34 <sup>3</sup> / <sub>6</sub> 36 <sup>3</sup> / <sub>6</sub> 4 26 29 <sup>3</sup> / <sub>4</sub> 4 26 <sup>3</sup> / <sub>4</sub> 27 <sup>3</sup> / <sub>6</sub>	26 28% 14% 14% 26% 26% 27% 26% 10% 13% 44% 46% 55 48% 53 37 27% 30% 27% 29 33% 35%	26 31% 15% 27 28% 25 26 11% 13% 50% 47% 55 50% 53% 28% 38% 28% 31% 28 29% 33% 35	2936 3236 1334 15 2636 28 25½ 26½ 13 14¼ 2656 2936 49¼ 5376 51½ 55¼ 50½ 56 98 98 3656 3836 29¼ 3236 28 29½ 34 35¼	29% 34% 14¼ 15 26% 26% 25% 13% 15% 55% 55% 55% 53% 57½ 27% 31% 26% 27% 31% 26% 27% 31% 26% 27% 31% 39%	32½ 35% 13% 14% 26 28½ 25½ 14% 17 32% 63¾ 61½ 52% 64 38% 38% 28% 31% 37 39½	34¼ 39 12% 13% 26% 28¼ 24½ 25½ 15 17½ 36% 36% 57 62¼ 53¼ 57¼ 61¾ 69 90 36¼ 41½ 29 31% 39 42¾	35 % 37 % 14 % 26 % 28 ½ 25 27 ½ 14 % 15 % 34 % 37 ½ 55 % 61 % 51 ½ 55 % 68 % 39 89 90 37 ¼ 40 ¼ 28 ¾ 32 ½ 41 ¾ 44 %
Argo Oil Corp.  Armco Steel Corp common 1  When issued  Armour & Co.  Armstrong Cork Co. \$3.75 preferred  Arnold Constable Corp.  Artioom Carpet Co Inc.  Arvin Industries Inc. 2.5	.5 12¼ 13½ 1 22% 24⅓ .• 87 89 .5 20 22	22 24 22 43 <sup>1</sup> / <sub>4</sub> 47 <sup>1</sup> / <sub>4</sub> 42 <sup>1</sup> / <sub>8</sub> 12 <sup>1</sup> / <sub>8</sub> 13 <sup>3</sup> / <sub>4</sub> 13 <sup>1</sup> / <sub>8</sub> 23 <sup>3</sup> / <sub>6</sub> 25 24 <sup>3</sup> / <sub>6</sub> 86 89 <sup>1</sup> / <sub>2</sub> 86 <sup>3</sup> / <sub>4</sub> 21 21 <sup>1</sup> / <sub>4</sub> 18 4 <sup>1</sup> / <sub>6</sub> 4 <sup>1</sup> / <sub>6</sub> 26 29 <sup>1</sup> / <sub>2</sub> 26 <sup>1</sup> / <sub>6</sub>	43½ 43½ 15% 13 14% 27% 25 27½ 88½ 86½ 87½ 20 16½ 17½ 4% 4% 7½	44½ 49½ 13½ 14% 25¼ 27% 87 90 17 17	30 34% 48½ 52% 14¼ 16% 24¾ 27% 87 90 17½ 18½ 8 11½ 23% 24½	32 38% 49% 59½ 16% 19% 27 28% 86 89% 17 18 11 12½ 24 25½	36½ 41¾ 56 58¾ 18 19¾ 28⅓ 33 85 87 16¾ 20 12⅙ 22⅓ 25⅓ 27	37 37½ 57½ 60% 18 19½ 30 32½ 82¼ 84¾ 20 22% 10 27% 25% 27¾	36¼ 39% 55% 65¼ 65¼ 30 33¾ 82 85 18 20¼ 26% 29⅓ 26%	32 35% 80 85 18% 19% 11½ 14%	37% 39% 61¼ 67¼ 24% 34 39¼ 82¼ 86 19 20¼ 13 15% 26¼ 29¼
Ashland Oil & Refining Co com	27\f2 28\a 5 6\bar{3} 7\f2 1 29 32\bar{4} 10 94\f2 100 10 67 73 10 17\bar{4} 19\bar{4} 10 9\bar{4} 31\bar{4} 10 29\bar{4} 31\bar{4} 10 29\bar{4} 31\bar{4}	15 16 1/4 15 27 3/4 28 3/4 27 3/4 7 1/4 77 7/4 29 1/2 32 7/4 98 3/4 102 98 1/2 72 1/4 77 7/4 18 19 7/4 17 17 1/4 9 1/4 9 7/6 9 1/4 30 5/6 3/4 31 3/4 89 1/4 92 89 29 1/2 31 7/6 30	8% 8 8 8 8 8 8 8 8 8 8 8 9 1 1 1 1 1 1 1 1	4 28% 30% 8¼ 9½ 4 32½ 34½ 4 101 105 4 71 73% 6 19% 21% 6 93% 93% 36½ 89¼ 90½	1576 1776 2978 3076 8% 9% 329 34% 101% 104% 73 7757 420% 22% 9% 10 35% 37 88 90% 31% 33%		17 <sup>1</sup> / <sub>4</sub> 18 <sup>3</sup> / <sub>4</sub> 30 <sup>3</sup> / <sub>6</sub> 31 9 <sup>3</sup> / <sub>4</sub> 10 <sup>3</sup> / <sub>4</sub> 34 <sup>3</sup> / <sub>4</sub> 37 100 103 78 <sup>3</sup> / <sub>2</sub> 86 <sup>3</sup> / <sub>2</sub> 22 <sup>1</sup> / <sub>4</sub> 23 <sup>3</sup> / <sub>8</sub> 9 <sup>1</sup> / <sub>2</sub> 9 <sup>3</sup> / <sub>8</sub> 35 <sup>3</sup> / <sub>4</sub> 38 <sup>3</sup> / <sub>4</sub> 90 <sup>3</sup> / <sub>4</sub> 92 34 <sup>3</sup> / <sub>4</sub> 37 <sup>3</sup> / <sub>8</sub>	17% 18 29% 30½ 9% 10% 36 40% 100 102½ 81 85 23% 25% 9½ 9% 34% 37½ 90¼ 92 37 49¼	1634 1776 2934 3056 9 1034 39 4276 102 1055 7945 8134 2446 2556 936 936 3514 38 894 90 4476 4732	9½ 10½ 41¾ 46¼ 101½ 103½ 81 90½ 24¾ 28½ 9½ 10 37½ 41¾ 89½ 90	17% 19¼ 34¾ 9¾ 10¾ 44¼ 46¼ 101¾ 104¾ 86 96 26¼ 28¼ 9¾ 9¾ 38¼ 41 89 91½ 49¼ 53¼ 53¼
Atlantic Refining Co	00 86 90 1 654 8 0 14¼ 15% 20 59 65¼ • 75% 83% • 1636 1636 1636 • 30% 3634	61½ 64 62 8 9½ 9 1654 1656 1676 35% 39¼ 35½	89 87 90 7½ 7% 8 15½ 15 16½ 64¼ 61¼ 65½ 10 9% 93 17% 17¼ 173	8734 8932 736 736 4 1536 1634 6 232 65 4 936 11 4 1736 1832 6 3836 4734 4 634 636	35% 39% 87 89¼ 7¼ 7¾ 7% 16 16% 67% 12% 18 18½ 44% 46% 46% 45% 45% 49%	7 7% 15% 16% 57 64% 10¼ 13¼ 18¼ 18¾ 42¾ 48% 7 7¾	38 43% 80 65% 7½ 8% 16½ 69½ 11 12½ 19 19 47½ 48 22% 29¼ 7% 8% 49 53%	7% 9%	38¼ 43¼ 78¾ 8% 7¼ 8% 7½ 7½ 15¾ 16½ 63 1½ 12½ 1½ 19 19¼ 24¾ 26% 8¼ 10 50¾ 60¾	79% 84 7 7% 15% 16% 62% 70% 13 19% 19% 21% 25 26% 8% 9%	42½ 45½ 91 83½ 7% 8% 16¼ 16% 68 71% 17% 25% 21 28% 25% 29½ 9% 13% 59% 82

STOCKS	Jahuary Lew High	February Low High	March Low High	April Low High 1	May Low High 1		July low High			October	November Low High	December Low High
Babbitt (B T) Inc	3% 4 31% 34 9¼ 11¼ 34% 37% 97½ 104 23% 26% 47 52½ 29¼ 31% 51½ 54%	37a 444 30: 33 4 10½ 11¼ a 36½ 39¼ 102¾ 105 93 95 4 23½ 27¼ 2 49 53¼ 4 30¼ 31½ 4 49¼ 53¾	4 4 5¼ 28½ 31 4 10¾ 115% 4 37½ 39½ 101 103¾ 90 94½ 4 47½ 49¾ 4 30 31½ 5 50 53¾	26% 28½ 2 10% 11% 1 37% 39% 3 99¼ 104 10 91 94 22% 27½ 4 45½ 52 31 33%	11% 12% 37% 39% 30% 104 104 109 12% 27 29% 53 33 34	26 287a 2 11¼ 1355 1 39 41¼ 4 100½ 104½ 10 90 92½ 9 29 3134 2 52⅓ 5734 5 52⅓ 5734 3	7 <sup>3</sup> 4 9 <sup>3</sup> 6 23 31 ½ 12 13 <sup>5</sup> 6 40 41 ½ 03 105 ½ 90 92 <sup>5</sup> 4 29 <sup>7</sup> % 37 ½ 55 <sup>5</sup> 4 59 <sup>3</sup> 6 34 <sup>3</sup> 4 37 <sup>3</sup> 6 53 60 ¼	29 % 31 ¼ 2: 12 % 13 % 1: 39 12 41 % 3: 98 103 99 91 ½ 8 34 % 38 % 3 58 % 61 ¼ 58 % 3	1234 14 4 13 19 14 4 13 19 14 4 13 19 15 97 15 16 16 16 16 16 16 16 16 16 16 16 16 16	1274 1474 4074 44 9674 100 86 8972 40 4574 5774 60 37772 48 5972 6374	8½ 105± 305± 335± 13 15 4134 45 98 100 86 86 59½ 45½ 555± 63¼ 42 46½ 555± 61¼	9 10½ 30¼ 33¼ 13¼ 14½ 42¾ 43¼ 95½ 99 85 87 41¼ 44¾ 60¾ 63¼ 37¼ 42½ 55¼ 62
Basic Products Corp	1634 173 1634 1	34 17% 191 35 37 137 137 14 100 1031 11% 133 34 2014 24 74 77	36 47 54½ 23 27 36 18% 20% 36 36% 39¼ 141 141 14 99% 102 11¼ 12¾ 14 20¼ 24% 1½ 78 79	45 ¼ 51 ¼ 23 25 ½ 18 ¾ 25 ½ 39 % 18 14 8 14 8 97 ¾ 100 ½ 12 ½ 13 ¾ 19 22 ¼	991/2 1033/4	2434 26% 1914 2059 41 44 165 166 16 102 104 1 1276 151/2 1894 213/4 81 821/2	24 26% 47 51% 23½ 25¾ 19 22% 42¼ 44% 161 165 100¾ 103½ 13 14% 19½ 22¼ 82 82 25½ 28%	50% 54 24 26% 21% 24% 43% 45% 165 174 1 96% 103 13% 15% 21% 26% 81% 81%	24 1/2 26 3/4 55 1/4 55 1/4 23 3/6 25 1/4 24 1/2 45 47 3/6 73 173 95 1/4 17 3/4 23 3/4 26 3/4 28 3/6 28 3/6	23% 25% 49% 52% 25% 25% 25% 25% 46% 46% 46% 46% 27% 37% 27% 30% 27% 30%	23½ 25¾ 51¼ 56¾ 24¼ 31 25¾ 28% 43½ 45¾ 170 170 97 99 18¾ 19¾ 33½ 39⅓ 79 79 28¾ 30¾	23½ 24¾ 52 58 28⅓ 36 28¾ 31 43¾ 45¾ 
Beech Creek RR Co (gtd) 50 Beech-Nut Life Savers Corp 10 Belding-Heminway Co Inc (Del) Bell Aircraft Corp Bell Aircraft Corp Bell & Howel Co 10 4½% preferred 10 Bendix Aviation Corp Beneficial Finance Co 5% preferred 5 Benguet Consolidated Inc 1 pes Best & Co Inc Best Foods Inc (The)	1 10 1/4 11 1 15 1/6 18 10 42 47 10 42 47 15 44 1/6 53 1 18 1/6 21 50 45 47 50 15 47 50 15 47 50 15 47	1% 29% 33 1% 11% 11 81% 14% 17 71% 43% 48 3 47% 49 11% 20% 21 7 46 47 11% 1	33 ½ 35 ½ 35 ½ 3134 11 11½ 17½ 15½ 173½ 88% 46 58 90 90 90 90 90 90 90 90 90 90 47 ½ 49 % 47 ½ 49 % 46 49 ½ 1½ 1 1½ 1 1½ 29 ½ 30 %	30 33 33 <sup>3</sup> 4 37 11 11 <sup>1</sup> 4 16 18 <sup>3</sup> 6 53 59 <sup>1</sup> 4 91 91 44 <sup>1</sup> / <sub>2</sub> 47 <sup>3</sup> / <sub>4</sub> 21 <sup>1</sup> / <sub>8</sub> 23 <sup>1</sup> / <sub>8</sub> 48 50 1 1 <sup>1</sup> / <sub>4</sub> 30 33 <sup>3</sup> / <sub>4</sub> 51 <sup>1</sup> / <sub>4</sub> 55 <sup>3</sup> / <sub>4</sub>	29 31½ 34¼ 37% 11 11% 17½ 19¼ 58¾ 65% 91 91 46% 51¾ 22% 525% 49¼ 50 1 1¼ 31% 32% 54¼ 59	35 36¾ 11¾ 12¼ 17½ 19¼ 57¼ 64½ 91 91 51 55¾ 23⅓ 25	2934 3134 36 39 12 1236 1634 1832 6032 70 91 91 5334 5838 2332 2438 4932 5034 1 134 3342 3478 59 6934	37½ 39½ 11% 13 17% 23¾ 67½ 71½ 56% 59¾ 23½ 24% 49¼ 50½ 1 1¼	32¾ 36 36¼ 39¾ 12³a 13¼ 19 23 68 79³¼ 92½ 93 56 61¾ 22¾ 24¾ 47¼ 50 1⅓ 1¼ 33⁵a 35½ 70 75¼	34¾ 36½ 35¼ 39¼ 12% 13¾ 19% 22⅓ 74½ 83 93 93 55 62¾ 23¼ 24 47½ 49 1⅓ 1¾ 34⅓ 36	35½ 36 35½ 39 12½ 13½ 19% 21% 78½ 94% 92½ 93 61½ 66¼ 23½ 25 47% 49¼ 1¼ 1% 34½ 36	36 36½ 35½ 44 12¾ 13¾ 19⅓ 21½ 82½ 92½ 92½ 92½ 63¼ 74½ 24¼ 27¼ 47½ 50¾ 1¼ 1¾ 35⅓ 36½
Bestwall Gypsum Co Bethlehem Biteel Corp (Del) 7% preferred 10 Bigelow Sanford Carpet Co Inc 4½% preferred series of 1951 10 Black & Decker Mfg Co Blaw-Knox Co Bliss & Laughlin Inc 2.9 Bliss (E W) Co Boeing Airplane Co Rights When issued	-8 36% 40 00 149½ 15 -5 6% 5 00 56 6 -1 36 4 10 23½ 2 50 19½ 2 -1 12% 1 -5 37% 4	00 38 % 4 16 % 151 15 9 ½ 7 % 60 59 % 6 10 34 36 ½ 4 16 23 % 2 23 ½ 21 ½ 2 15 ¼ 14 ½ 1	11¼ 39½ 45¾ 11¼ 38¾ 40¾ 4½ 150¼ 151½ 9 8⅓ 8¾ 13½ 62 63 40 36½ 39¾ 40 36½ 39¾ 25 28¾ 25 28¾ 21 20¼ 23 15¼ 14¾ 15% 40⅓ 36⅓ 39	36% 39% 150% 156% 7% 10 62 63% 4 36% 40% 25% 27% 19% 21	4636 5034 3916 4238 15215 15513 814 956 6214 64 40 45 2536 2736 1836 2176 1334 1556 3936 4238	48 ½ 54 ¾ 40 ¾ 43 153¾ 159 ½ 8 h 10 ½ 61 h 64 ¾ 43 ¼ 46 ¾ 27 29 ¼ 18 ¼ 19 ¾ 13 ½ 15 ½ 40 ¾ 44 ¾	53% 61% 41¼ 47% 152 158½ 9½ 10 63% 66½ 42 47 27½ 34¼ 18 22% 13% 18% 43¼ 47% 19/64 31/64	60½ 64½ 44½ 467a 148 153½ 9½ 11½ 64 65 47½ 51¾ 31¾ 33¾ 20¼ 22¾ 16¾ 18¼ 43¾ 47%	6214 66°a 45°a 49 ¼ 144'2 149 10°4 12 ½ 64'2 69 48'2 51'2 32°a 35°4 20°4 23'2 17 18°a 43°a 48°a	65% 73½ 48% 54% 143 147¼ 10% 68% 50¼ 59% 33% 37% 22½ 24% 16½ 18¼ 45 58%	72 7934 4714 5278 14412 149 1034 1446 68 7114 54 5878 32 3612 2214 24 1636 1736 4814 5718	145 14 149 13 14 15 % 70 12 76 57 59 76 33 34 36 34 23 3a 26 1/2 16 % 18 36
Bohn Aluminum & Brass Corp Bon Ami Co (The) common A Common B Bond Stores Inc Bock-of-the-Month Club Inc Borden Co (The) Borg-Warner Corp 3½% preferred Boston Edison Co Boston & Maine RR com 5% preferred.	20 12 ¼ 1 14 ¾ 1 14 ¾ 1 15 60 ¾ 4 100 82 1 100 82 1 100 77 %	22½ 19 13 12 15¼ 15½ 11 11¾ 11 64¾ 61 30¼ 27⅙ 85 85 81 50% 49½ 9 8⅓	18% 17% 18% 12% 18% 12% 11 12% 16 15% 16% 16% 16% 16% 16% 16% 16% 17% 28% 17% 28% 17% 28% 17% 81 79% 83% 50% 50% 50% 50% 50% 50% 25 19% 21%	2 12% 17½ 4 9½ 11½ 5 15¾ 16¾ 11¼ 1176 4 64½ 68 6 25% 28% 78 83 8 51¼ 54¼ 776 934	10 147a 87a 1014 1614 177a 111a 1134 66 68 261a 2814 78 80 521a 56	66 68 ½ 31 ½ 79 ½ 79 ½ 53 ½ 56 ½ 10 ¼ 13 %	78 82 54% 571/4	18¼ 20¾	18% 20%  18% 21%  11% 21%  71 74%  32% 38%  74% 76%  52% 55  12 15  21% 29%	19% 22% 20% 22 11% 15% 22 11% 73% 74% 33 37% 78 74% 78 53% 57% 14% 17% 26% 32%	20% 2178 14 15% 73 78 33% 37% 74½ 76 56 58% 15% 17%	20\\\ 21\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Braniff Airways Inc 2 Bridgeport Brass Co.  4½% convertible preferred Briggs Manufacturing 3 Briggs & Stratton Corp. Bristol-Myers Co. 2 3½% preferred Brooklyn Union Gas. Brown & Bigelow Brown Shoe Co Inc.	-6 30 -50 38 <sup>3</sup> / <sub>4</sub> -3 26 <sup>5</sup> / <sub>8</sub> -2.50 53 <sup>1</sup> / <sub>8</sub> -1 34 <sup>5</sup> / <sub>8</sub> -1 11 <sup>1</sup> / <sub>4</sub>	47 46 814 7 30% 27% 57½ 54½ 89½ 91½ 36¼ 35¾ 13¼ 12%	9% 87% 93 36 32 % 36 48 46 4 48 8 8 67% 73 30 % 29 318 57 ½ 55 ½ 62 91 34 92 92 92 92 13 12 % 40 49 % 48 % 50 %	303h 3234 4215 47 36 65h 71¼ 56 297k 334h 34 68 6144 91 4 92 34 395h 44 44 123h 1444	2734 3034 42½ 4634 7 734 32% 35% 60 6534 90 92 42½ 43% 4 13% 14¼	45% 47% 67% 71% 33% 35 663% 661% 90 91 42% 461% 13% 14%	27% 31% 46% 48 7 8½ 33% 37% 46% 71% 88 90 44% 46½ 14% 15	31½ 34¾ 44½ 48¾ 75% 8¼ 36¾ 39% 64½ 70½	10 11¼ 32¾ 34¾ 44 45¾ 7³4 91¼ 37³¼ 41¾ 67¼ 72 87 89 46 49¼ 14¾ 15¼ 53 54¾	8 16 9 16 37 34 40 34 69 12 77 82 84 47 48 36 14 34 15 36	33 ½ 36 4 44 ½ 46% 6 6 ¼ 9 ¼ 4 36 % 44 ½ 72 % 77 % 82 ½ 83 4 47 % 49 ¾ 6 15 % 16 7	33 ¼ 36 ¾ 46 ½ 48 % 8 ¼ 8 % 8 ¼ 8 % 8 % 8 % 8 % 8 % 8 %
Brunswick-Balke-Collender CoRights  New Buckeye Pipe Line Co Bucyrus-Erie Co Budd Company (The) \$5 preferred Buffalo Forge Co Bullard Co Bullard Co Bulova Watch Co Inc	22½ 5 25½ 5 13¾ • 81¾ -1 27	24 2276 31½ 28¾ 16½ 14 82¾ 80¾ 29½ 27½ 14¼ 12½	37% 36% 43 	- 16 III 134 2315 2415 336 2515 273 546 1342 1476 79 80 1074 79 80 2916 293 1310 15	2 24'4 26'2 26'4 26'5 25'2 26'4 13'4 14'8 76'3 31 13'6 14'8	2 25% 27¼ 25 27% 8 13% 15 78% 81 29% 30 13 14%	26 % 27 ½ 25 33 14 ½ 16 ¼ 81 ¼ 82 % 29 % 30 ½	26 <sup>3</sup> 6 26 <sup>7</sup> 6 29 <sup>1</sup> 6 32 <sup>1</sup> 5 4 15 <sup>1</sup> 2 16 <sup>3</sup> 4 4 30 32 4 15 <sup>3</sup> 6 17 <sup>1</sup> 4	28 1/4 31 % 15 % 17 % 84 84 1/2 30 1/4 32 1/2	26½ 29 33½ 15½ 17½ 2 86 90 2 31¼ 32 15% 18½	50 ½ 53 <sup>3</sup> 27 ¼ 29 26 ½ 31 <sup>3</sup> 4 26 ½ 31 <sup>3</sup> 4 16 % 18 <sup>3</sup> 87 ½ 83 31 ½ 33 % 14 5 17	34 4634 531/4 271/2 30 36 261/2 301/8 36 17 203/8 36 17 203/8 36 8834 90 31/8 303/4 331/4 143/6 163/8
Burlington Industries Inc.  4% preferred.  3½% preferred.  4½% 2nd preference.  Burroughs Corp Rights  Bush Terminal Co  Butler Brothers.  Butte Copper & Zinc Co.  Byers (A M) Co.  7% participating preferred.	-100 64½ -100 64¾ -5 28¾ -1 17½ -15 22¼ -5 3¾ -10 20	67 63 56 ½ 69 % 65 % 31 % 30 % 18 17 26 23 %	67½ 64½ 68 56½ 56 56 68 67 70 32¼ 29 32 17% 16½ 1 24¾ 24 21 5% 4½ 1 23¾ 22½ 2	6 58 59 70 ½ 74 2 ½ 27% 30 3 3 3 4 25 ¼ 26 23 3 3 4 5 5 3 3 4 5 5 3 3 3 4 5 5 5 4 5 5 5 4 5 5 5 4 5 5 5 5	68 69 34 59 70 76 32 9 32 4 17 1/2 25 36 36 36 36 36 36 36 36 36 36 36 36 36	70½ 68½ 70½ 72 % 31% 36% 17 17 % 26% 29 % 5 5%	68 70 59 60 72 75 31½ 353 34 1634 273 27% 291 6 5% 69	3/4 23 1/2 25 1/2 28 3/4 30 7/8 3/8 5 1/2 6 1/2	67½ 69 75 77 35½ 38¾ 23½ 26 5 30% 34½ 5 5% 6¾ 27½ 33¾	67½ 693 60 60 76 783 ¼ 36¾ 403 24¾ 27 ½ 32¾ 37 ¾ 6¼ 8 ½ 29¼ 31	1/2 66 1/2 68 1/4 76 3/6 77 1/2 34 3/6 30 1/2 24 26 1/3 34 5/6 40 1/4 6 3/6 7 28 30	67 69 62½ 62½ 71½ 76 77¼ 35% 43% 43% 5½ 24% 28½ 39½ 39½ 77 534 6½ 39¾ 39¾ 39¾ 39¾ 39¾ 39¾ 39¾ 39¾ 39¾ 39¾
\$4.25 convertible preferred	1 3½ 9¼ (m) 1 5¼ (m) 1 5½ 1.66¾ 14⅓ 81	10¼ 10¼ 6½ 6½ 38¾ 37%	4% 3% 10% 1 11% 10% 1 8 % 7½ 38½ 37% 3 17 16% 1	43% 43½ 45° 4½ 3% 4° 12% 10% 11° 7% 7% 9 39% 38% 40 18½ 17% 18 66½ 86 87 50 47½ 49	11/4 33/4 41/4 14/4 14/4 14/4 13/4 40/4 13/4 18/4 18/4 18/4 17/4 18/4 18/4 18/4 18/4 18/4 18/4 18/4 18	1/8 3	4 5 12% 15 7¼ 9 34 42¼ 43 36 1734 18	174 414 5 16 13% 15 18% 15 18% 15 18% 15 18% 17% 17% 19 18 18 18 18 18 18 18 18 18 18 18 18 18	4 1/2 51 14 1/6 153 8 9 1/2 423/6 46 18 185 14 3/6	16 4½ 6 36 14% 18 7% 8 45% 48 56 17% 18 16 81¼ 82	634 6 814 171/2 20 834 8 814 451/2 50 83/6 181/6 20	076 48 1/4 50 3/4 73 8 10 1/2 17 3/4 20 1/4 9 1/2 9 12 3/8 46 1/4 49 1/2 20 5/8 33 3/4 82 3/4 85 46 1/2 48 1/4
Canadian Breweries Ltd Canadian Pacific Ry Co Cannon Mills Co Capital Airlines Inc Carborundum Co (The) Carey (Philip) Mfg Co Carolina Clinchfield & Ohio Ry Carolina Power & Light Co Carpenter Steel Co	1 10% 	5 25% 23% 5 50 48% 6 16% 15% 5 35% 32% 26% 25% 100 98	25 <sup>1</sup> / <sub>4</sub> 23 <sup>3</sup> / <sub>4</sub> 24 4 49 <sup>1</sup> / <sub>2</sub> 48 5 18 <sup>1</sup> / <sub>4</sub> 15 <sup>1</sup> / <sub>6</sub> 4 35 <sup>3</sup> / <sub>4</sub> 32 <sup>5</sup> / <sub>6</sub> 5 28 <sup>3</sup> / <sub>4</sub> 25 <sup>1</sup> / <sub>2</sub> 2 100 97 4 28 27 <sup>5</sup> / <sub>6</sub>	25% 24% 25 51½ 50¼ 52 17% 14¼ 16 35% 30% 33 28% 25% 28 99½ 94½ 99	8% 30 31° 5% 24°4 26° 23°4 53°4 64'6 6'14 13°6 15° 33°6 31'2 33° 8°4 25°4 28°4 100° 0'4 28°4 30° 7 44°4 51	37% 26% 28 134 53½ 54 15% 15 16 314 32% 35 18% 25¼ 26 014 99 102 014 30 31	184 27 29 184 544 55 184 1434 16 184 32 36 184 2514 28	5 1/4 54 3/4 59 1 6 3/4 34 1/4 37 1 8 7/4 28 29 3 3 99 1/2 10 1 3 3/4 31 33 1	36     27%     31       ½     59     65       %     16     17       ¼     34%     37       ¾     27½     30       ¾     97¼     99       ¼     31¼     33	136 2836 36 5 59 66 756 1514 11 736 3512 39 912 9816 91 312 3116 3	0% 20 3 434 59¼ 6 7% 16 1 9% 35¼ 3 6 34 3	

4	1930 —	NEW I	ORK S	TOCK I	EXCHA	NGE ST	OCK R	ECORD	<b>— 195</b> 8	3		
STOCKS	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Carrier Corporation         Par           4½% preferred         10           4½% preferred         50           Carriers & General Corp         1           case (J I) Co         1           Rights common         1           7% preferred         100           6½% 2nd preferred         7           Caterpillar Tractor Co         10           4.20% preferred         100	32% 39½ 38½ 42 20% 22½ 19½ 23 16% 16% 101½ 107 51¼ 61¼ 58½ 68½	34% 38% 41 42½ 21% 22½ 27% 14½ 16% 16% 5% 6½ 68 97 98	34% 38% 40¼ 43 21¾ 22¼ 25 30 14¾ 15% 15% 101½ 105 5¾ 6 59¼ 62 97½ 97½	36¼ 39¼ 40% 42 22¼ 23⅓ 26⅓ 28% 14¼ 17½ 102 109 55¼ 65⅓ 55⅓ 60% 97¼ 101	38 42 1/8 40 1/6 41 1/4 22 1/4 23 26 3/4 30 8/6 17 5/6 20 5/8 109 1/2 117 6 6 1/4 58 3/4 61 3/4 99 101	40 42% 40½ 46 23 24½ 27¾ 30½ 18½ 20 115 119¾ 6¼ 6½ 61 67¾ 98 99¼	38½ 43½ 43½ 47 24 25% 27 29% 18½ 21¼ 112½ 116 6½ 6% 62¾ 76½ 94½ 97	38½ 41 42¼ 46¼ 25% 27½ 26½ 30 20% 23½ 112½ 117 6½ 7 75 80% 91 95½	39% 42% 42 44 26¼ 27½ 29% 34% 19% 22% 110 115 6% 6% 77 82 92½ 95½	39% 41% 42½ 44 27% 29% 31% 34% 19½ 22 % 111% 6% 6% 79% 90% 91% 95%	39% 46¼ 42¼ 44¼ 29 31½ 31¼ 36¾ 19¾ 110½ 6% 6¾ 86 92% 93½ 96	42½ 45¾ 42½ 44¾ 28⅓ 31 35¾ 43⅙ 19⅙ 22 109 112 6¾ 6¾ 85 90⅙ 95½ 98
Celanese Corp of America  7% 2nd preferred  100  4½% conv preferred series A  100  celotex Corp  5% preferred  20  Central Aguirre Sugar Co  5% preferred  Central of Georgia Ry Co  5% preferred series B  100  Central Hudson Gas & Elec Corp  Central Illinois Light Co  4½% preferred  100	99 104 5512 65 2934 3134 1712 1812 1714 19 914 1076 44 4712 76 7412 15 1616 4912 54	13 14% 62 63½ 26% 33¼ 18 18½ 19 19¼ 10% 45% 49¼ 74¼ 75½ 15¼ 16 52½ 55 99 101	13% 15% 105 34 63 65 34 27 14 31 32 17% 18% 19 4 10 4 48 32 72 34 73 42 54 57 16 3	15 16% 104% 107% 64% 68% 26% 30% 17% 19 18% 19% 9% 10% 46 48 73% 75 15% 16% 55 56% 100% 103	1534 1736 107½ 109½ 66¼ 69½ 2834 30 1838 19½ 19¼ 20 9¼ 934 46 46½ 75¼ 76 16⅓ 17½ 100¼ 104	16 1 17 3 4 108 ½ 113 ½ 68 ½ 69 ½ 7 31 ¼ 19 ½ 19 ½ 19 ½ 9 ½ 9 ½ 46 ½ 47 75 76 16 3 4 17 ½ 100 104 ½	15% 18¼ 110 114 06 69¼ 30⅓ 32¾ 18¼ 19½ 17¾ 19¾ 47¼ 50¼ 76¼ 77 16⅓ 17½ 100 104	17½ 18% 111¾ 117 68% 72¼ 31½ 33¾ 17% 18 19 10% 10¼ 11½ 49% 50% 77 78 16% 17% 96 101	18 23 % 113 34 116 70 14 74 34 35 % 17 34 18 36 19 14 47 36 50 16 76 12 17 34 18 36 17 34	20% 26% 110% 116 73% 77% 31% 3434 18 18 4 1934 21 4 1034 1236 47 52 75 76 17 1836 9444 98	24 % 28% 116 118 % 76% 79 % 31 35 % 17 % 18% 22 % 11 % 50 % 77 % 18 % 50 % 73 % 77 17 % 18 % 93 98	25% 30% 115% 117 77% 81% 35% 38% 17% 18% 21% 22% 11% 44 45% 47% 73% 75 17% 19% 94% 100
Central Illinois Public Service 10  New 20 Central RR of New Jersey 50 Central & South West Corp com 50 Central Violeta Sugar Co 9.50 Century Industries Inc 60 Cerro de Pasco Corp 50 Certain-teed Products Corp 10 Cessna Aircraft Corp 11 Chanbourn Gotham Inc 11 Chain Belt Co 10 Champion Paper & Fibre Co (The) 5 \$4.50 preferred 10	16 19% 411% 4314 19 2434 7 834 2534 2934 834 95% 2336 2816 11/2 21/2 4734 56 34 371/2	32½ 33% 18 19½ 42 45¾ 23% 25¾ 8½ 10½ 25% 29½ 8¾ 9½ 27⅓ 30 2 2¾ 50 57 35% 37½ 97 100	32% 34¼ 17¾ 19¼ 43¾ 46¼ 21¼ 25½ 9 9% 24¾ 32% 8% 9% 27% 30% 2½ 3¾ 48½ 53 35 38 94 100	33% 35¼ 28 29¾ 17% 21¾ 41% 45½ 20 21½ 9% 11½ 28% 30% 8% 9½ 28 36% 2 2% 50¼ 52¼ 35½ 38 94 97½	34% 36 28% 29% 20 22 44½ 48% 20 24% 10½ 11¼ 27% 30% 8% 10¼ 34% 39% 23% 349½ 55% 37% 35% 98 100%	35 1/4 36 1/2 28 1/4 25 1/2 21 1/4 25 1/4 46 1/4 25 1/4 23 3/4 25 9 10 10 1/6 29 1/4 32 1/2 9 10 10 1/6 35 10 1/6 35 10 1/6 35 10 1/6 35 10 1/6 35 10 1/4 38 1/4 1 1/4 96 1/2 99 1/4	35 37% 29¼ 31 22½ 26½ 48½ 50¾ 22% 23% 9% 10½ 28¼ 34% 9¾ 10½ 36½ 41¾ 2% 36¾ 40¾ 40% 42¼ 96% 99	33½ 37¾ 28½ 31½ 23% 28 47¼ 50% 23½ 28 9½ 11 32½ 37½ 10¾ 12¼ 38¾ 42¾ 33¾ 4¼ 43% 459¼ 65¼ 41 43 94½ 97¼	33 % 36 ¼ 28 ½ 30 ¼ 23 26 % 47 ¼ 50 25 29 % 9 % 12 ¼ 33 ¼ 38 % 11 ¼ 12 % 41 ¼ 45 % 3 % 5 60 ¼ 64 ¼ 40 ½ 42 ½ 93 ½ 96	36 38 28½ 30 24 26¾ 49¾ 55 24 26¾ 9¾ 10¼ 38¾ 46¾ 12¼ 13¼ 41½ 53¾ 4¼ 53¾ 4¼ 63 62 69½ 39¾ 42% 93½ 95	38 40 <sup>3</sup> 4 29 <sup>5</sup> 6 32 <sup>3</sup> 4 22 25 53 <sup>3</sup> ½ 58 <sup>3</sup> ½ 22 <sup>3</sup> ½ 23 <sup>3</sup> 4 9 <sup>6</sup> 6 10 43 <sup>3</sup> ½ 48 <sup>7</sup> 6 12 <sup>3</sup> ¼ 13 <sup>5</sup> 8 43 <sup>3</sup> ½ 54 45 <sup>5</sup> 6 <sup>3</sup> ¼ 66 <sup>3</sup> ½ 66 <sup>3</sup> ½ 72 39 <sup>3</sup> ¼ 42 <sup>3</sup> ¼ 93 <sup>3</sup> ¼ 97 <sup>3</sup> ¼	4034 4234 32 3334 2116 25 5534 6034 2214 28 852 912 4276 4736 1234 1442 3834 6 7014 75 3712 4212 96 9814
Champion Spark Plug         1%           Champlin Oil & Refining Co         1           Chance Vought Aircraft Inc         1           Checker Motors Corp         1.25           Rights         1           Chemetron Corp         1           Chemway Corp         1           Chesapeake Corp of Virginia         1           Chesapeake & Ohio Ry Co         2           3½% convertible preferred         10           Chicago & Eastern Illinois RR         4           Class A         46	17% 20% 131% 371/4 434 6% 1 7/8 8% 5 23 26% 5 48% 54 90. 92% 101/4 12%	18% 20% 33% 38½ 5% 6¼ 77% 26% 28 50% 54¼ 91 10% 12½ 23 ¾	19 20% 37¼ 42% 5½ 6¾ 	18% 1934 3834 4234 576 736 736 9 26 9 2734 564 89 9234 934 12% 18½ 22	19 21% 40% 45¼ 7½ 9% 33¼ 35. 8% 9% 27 28¼ 53 55% 91½ 93 11 11% 20 20½	21¼ 24 44 47¼ 8% 10% 33 34¾ 8% 9 27¾ 31% 52½ 55½ 93 94 11½ 13 21½ 22	21% 24% 44½ 50% 9¼ 10% 33% 37% 8½ 9% 31 32½ 54% 60½ 93¼ 11% 11% 21% 24%	22½ 24¾ 46½ 49½ 8¾ 10 34¼ 37½ 8½ 11¼ 29½ 32½ 58 63¾ 96 96 12⅓ 13¾ 23 24	22% 23% 44% 50% 9¼ 11% 36¼ 39½ 10% 12% 31 35¼ 59% 64 97 99 12% 16 22¼ 30	22 24% 45% 54 9½ 21% 	33¾ 39¼ 21½ 23¼ 48% 55¾ 13½ 19¾ 31% 37 10¾ 12% 34 37½ 65 69½ 104 109¼ 13½ 15% 26¼ 31	34% 36% 21% 24 37 51% 16% 19% 1 1% 32% 36% 413% 16% 67% 10% 13% 15 25 27%
Chicago Great Western Ry Co	0 3134 35 ½ 1139 1336 0 4534 5234 1236 1476 0 1815 21 16 0 1915 21 16 14 12 15 912 1114 5 41 4114	29¾ 33 34½ 36¼ 12% 14¾ 49¾ 16¼ 19¾ 21½ 18½ 21¼ 20½ 23¾ 15 17 9½ 10 39 40¼ 50 56%	30¼ 32 35½ 36¾ 1256 16¼ 49½ 52 1356 15 1976 21 19 22½ 1956 21½ 17 18 9¾ 11¼ 37 44¼ 50⅓ 54¾6	31 37 34½ 35¾ 13½ 15½ 49½ 62 13½ 15¾ 20 23¾ 20¼ 21¾ 16¾ 22% 16¾ 17% 9¾ 113% 37% 38 44 50½	35¾ 38 35¼ 38½ 14¾ 15% 51½ 54¾ 15 18¾ 20½ 22% 22½ 25½ 16 20 10½ 11½ 37½ 39½ 44% 47½	37 39 1/4 38 1/4 40 1/2 15 16 7/8 52 1/2 55 17 19 1/2 26 7/6 30 1/2 20 7/6 24 1/2 26 7/6 24 1/2 26 7/6 18 1/4 21 3/4 10 1/2 11 7/6 38 48 3/4 45 1/8 48 7/6	37¼ 43% 38 39½ 15 18% 52 56% 18% 32% 28% 31½ 23 27% 24 27% 410% 11¼ 42 45½ 46 52%	40½ 43½ 38¾ 39½ 17½ 19¾ 565% 60 21½ 24¼ 30 32½ 25⅓ 27¾ 26¾ 28⅓ 19¾ 22½ 11⅓ 12¾ 50¾ 54%	42¼ 46% 39¼ 40% 18% 22¼ 58¼ 60 22¼ 28% 30% 37¼ 25½ 26% 27¼ 30½ 20 24½ 11% 12% 51% 58%	43½ 48 40¾ 43 21½ 23½ 59¾ 62¾ 26¾ 29½ 40¾ 25¼ 20½ 27¾ 29½ 24¼ 37% 11¾ 15¾ 50¾ 59½	46¼ 49½ 41½ 42¾ 22¼ 24¾ 60% 63 26% 32 36¾ 40% 27¼ 31½ 28¾ 31% 32 37 12¼ 13 51⅓ 55	43 ¼ 47 39 ½ 42 24 ¼ 25 % 62 63 ¼ 26 ¾ 31 37 ¾ 40 % 27 ¾ 30 % 29 ⅓ 31 % 36 38 12 ½ 14 % 48 % 53 ¼
Cinn Gas & Electric Co (The) 8.50 Common rights 4% preferred 10 4% preferred 100 Cincinnati Milling Machine 11 CIT Financial Corp Cities Service Co 10 City Investing Co 5½% preferred 100 City Products Corp City Stores Co 4½% conv preferred 100	0 88 93¾ 0 27 31 0 47½ 51¾ 6 10¾ 11½ 0 35¼ 40 0 5 15¼ 17%	30 % 317% 91 93 ½ 30 32 % 47 ¼ 50 ½ 44 % 51 % 10 % 11 % 102 102 38 ¼ 40 16 16 34 98 98 ½	29½ 30¾ 10 7/64 86½ 92 32 34½ 47½ 50¼ 44% 51 10% 14½ 36% 41% 16 16% 98 99	30¼ 31% 90½ 95½ 104½ 106¼ 32% 97 47¼ 50% 47¾ 50% 47¾ 42 16½ 18 98 100	31½ 33¾ 90 95¼ 105 106 33¾ 55¾ 50 54 49¾ 53% 14½ 16½ 40¾ 43 16¼ 17¾ 99 101	33 34 91 1/4 95 103 3/4 106 23 1/2 26 50 1/4 55 1/2 53 57 3/4 15 1/2 16 3/6 40 3/6 42 3/6 16 1/4 16 3/6 100 1/4 100 1/4	33 2344 91 9534 102 104 33 4014 4914 5414 5514 6134 1534 1634 1638 1738 100 101	31 33% 88 94 100 102½ 37 39% 53% 58% 58% 63% 15% 17% 41½ 43 17 17% 100¼ 101½	3034 33%  84 88½ 99 10034 37¼ 42½ 53 5734 58% 6134 16½ 17%  42 4334 17% 19 99% 100	32¾ 34½ 83 90 99 102¼ 40% 44½ 54 59% 58¾ 61¾ 16 16% 42 43 18½ 20% 100 100⅓	33½ 34½ 87¼ 89% 101 104½ 35 41 53¼ 58½ 56¾ 61% 15% 16% 41% 45¼ 18¾ 19¾ 100 102	33% 35% 86 89½ 101 104½ 38¼ 40% 54¼ 58% 58½ 63½ 15% 16% 44½ 8 45½ 18% 19 99 103
Clark Equipment Co 1.  C C C & St Louis Ry Co 10.  5% non-cumulative preferred 10.  Cleveland Elec Hlum Co common 1.  \$4.50 preferred  Cleveland & Pitts RR Co 7% gtd 5.  Special guar 4% betterment stk 5.  Clevite Corp (The)  Cluett, Peabody & Co Inc 7% - preferred 10.  4% 2nd preferred 10.	0 150 150 0 71½ 74½ 5 39½ 40% • 99½ 104¾ 0 60 62 0 35 36½ 1 15¾ 18¼ • 32 41 0 127 133	37% 41 	401/4 451/2 70 72 371/2 383/6 101 103 611/2 621/2 35 361/2 161/2 183/6 403/6 433/8 130 133 88 93	40 42% 140 140 68 73 37% 40% 102 105 6114 62 35 36% 16 17 40 45% 128 130 93 94	41½ 45¾ 140 140 70 73 38¾ 40½ 104½ 106¼ 62 62½ 35 55% 16 17 39¾ 41 130 133 95 97	41¾ 45 139 140 71 73 38¾ 40¾ 102% 106 62¼ 64 55¾ 37 16¾ 17½ 39 41¾ 130¼ 132¾ 95 95	41¾ 50½ 67 72 40 43⅓ 102% 104¾ 62¾ 64 35½ 36⅓ 16⅓ 18¾ 37¼ 40 132 132 94 95⅓	48½ 50¾ 67 .70 40½ 43% 98½ 103½ 63 64½ 34½ 35½ 18% 20% 40 43½ 128 132 94½ 94½	49¼ 53 130 138 69 71 41 45 95 99½ 63 63¼ 34¼ 36 19¾ 21½ 40¾ 43½ 127¼ 130	53¼ 58 140 145 72 75 41 42% 96 100¼ 59 63 34% 37 20 23% 41½ 44% 128 131¼	60 62 35 36 21% 24½ 43½ 48¾	58¼ 62 
Coca-Cola Co (The) Coca-Cola International Corp Colgate-Palmolive Co	0 48 52½ 80 83 15¼ 16½ 18% 22% 0 43½ 45¾ 0 46 51	103½ 115¼ 51¼ 57% 79½ 82½ 14½ 16% 19% 22½ 45 46 39 39 48½ 50 47% 49	109 1/2 113 3/4 53 7/6 58 7/6 80 82 1/4 13 3/4 15 7/6 19 1/6 21 1/6 45 1/2 47 1/4 38 41	107 117½ 56% 62% 81 82% 14½ 17¼ 18% 19% 45¼ 46 36 38 47 49	112¼ 1.7%  59% 63¼ 84 86½ 15% 19% 18% 20% 44 45% 57 37 49 51 47 49½	113¼ 113½  60% 62¾ 83 85½ 16 17% 18 19½ 44 44¼ 38 39 50 55 50½ 53½	117 120½ 62½ 65¾ 81½ 84 16¼ 19% 18 22% 44¼ 45½ 38 39½ 52 55 53½ 55	112½ 118½ 59¾ 64¾ 80 84 18¾ 20¾ 20½ 22¾ 45 46 40 47½ 54½ 59 54¾ 57¾	110½ 117 61 70% 78 80 18¾ 21¼ 21½ 24½ 45¾ 49½ 45 53 56 60 57 62	110½ 118  69½ 84  77 79¼  18¾ 20%  22 25%  45¾ 48  49½ 52½  60 65  60 64		82 90 %4 77 ½ 79 % 19 %4 23 % 25 % 46 % 48 55 61 57 64 %
Columbia Broadcasting System— Class A 2.5 Class B 2.5 When issued Columbia Gas System Inc 1 Columbia Pictures Corp 34.25 preferred Columbian Carbon Co Columbian Carbon Co Columbias & Southern Olifo Elec Co	0 24¾ 27¼ 0 16 17 5 12½ 1¼¼ • 67½ 68½ • 31¼ 36 5 30½ 32	24½ 28½ 24½ 27½ 1656 17 13 14¾ 65 66½ 33 37 31% 33½	24% 29% 28% 28% 28% 28% 28% 28% 36% 35% 36% 36% 34% 34%	27½ 29% 27½ 29½ 17½ 18% 14% 15¼ 63% 663 34½ 39½ 33 35¾	29 % 32 28 % 31 % 18 ½ 18 % 14 % 18 63 65 % 37 40 % 33 36	29% 31¾ 29½ 31¼ 18¾ 19½ 16¼ 17% 64 68¼ 37% 40¼ 33¼ 34¼	191/ <sub>8</sub> 20 161/ <sub>2</sub> 185/ <sub>8</sub>	30½ 36¾ 30¼ 35½ 19½ 19¾ 17% 20¼ 63 64 39¼ 44 32¾ 34½	33% 36 35½ 19¾ 20% 16¼ 19¾ 63½ 64¼ 38% 43% 32% 34%	35¼ 39% 35 39¼ 20 20% 18% 19% 63¼ 65% 40½ 44 33% 35¼	37% 41½ 37 40% 21 18¼ 19½ 63% 73½ 40% 46¼ 34% 37¼	36% 39 36¼ 38% 37½ 37½ 18% 23¼ 18% 23¼ 48% 49% 34% 36%
Combustion Engineering         1           Commercial Credit Co.         1           Commercial Solvents Corp.         2           Commonwealth Edison Co.         2           When issued.         10           5.25% preferred.         10	0 46% 53¼ 1 10½ 12% 5 41% 44	23½ 25 52¼ 55½ 10½ 12¼ 43¼ 44¼ 103 104 108½ 108½	24½ 26% 53½ 54¼ 10% 11% 43½ 45% 101¼ 104 109½ 111	24% 26½ 52 53% 10¼ 10% 44% 47% 105 109% 111	24¾ 27 52½ 57¼ 10% 11% 45¾ 48% 104 106 110¼ 111¾	24¾ 27% 55 57% 10% 12¼ 47¼ 49¾ 102 104¾ 110 112	24% 27% 5434 57% 11 133% 48% 51½ 101½ 103¼ 107 111¾	26% 30 56% 64¼ 12% 13% 46% 49% 100 103½ 105½ 108¼	27½ 29% 56% 60% 12% 14½ 48½ 56% 52% 52% 96 100 106 107½	26% 28% 58 65 12% 14% 51% 53% 51% 51% 51% 51% 96 98% 106% 108	50% 52%	30 33 60½ 62 13¾ 15½ 51½ 57¼ 96½ 100½ 107 108¾
Comptometer Corp Conde Nast Publications (The) Cone Mills Corp Congoleum-Nairn Inc Consolidated Cigar Corp Consolidated Coppermines Corp Consolidated Edison Co of N Y Inc \$5 preferred	10 9% 10% • 7½ 9 -1 29¼ 32¼ -5 11½ 14% • 44½	121/2 143/8		5% 6% 5 5½ 11 12% 8% 11½ 30¼ 33½ 12 13½ 49½ 55¼ 106½ 107¼	52% 55%	6% 7% 4% 5% 11% 13% 10 15% 30% 32 11% 12% 54% 55% 106% 108%	11% 14% 31% 36% 12% 13% 54% 55%	7 9% 514 6½ 1414 15½ 1236 1436 3536 38½ 12½ 13½ 52 5536 101½ 106	71/4 91/4 55% 61/4 14% 16% 121/2 14 121/2 14/6 523/4 551/4 101 1025/5	7% 8% 5% 6% 14% 16% 12% 40% 42% 18% 55% 59% 101% 104%	14 % 15 % 11 14 % 42 ¼ 48 15 ¼ 20 ¼ 56 % 59 %	734 9¼ 7 9 144 15½ 1114 13% 4134 45 1898 1934 5734 65 104 105½

958 —	NEW )	ORK S	TOCK I	EXCHA	NGE ST	OCK R	ECORD	<b>— 195</b>	8	the later	Hew !
January Low High	Pobruary Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Lew High	Low High	Low High	December Low High
29 34¼ 19½ 23¼ 14¼ 15% 13¼ 15% 15¼ 16½ 40¾ 44 23¼ 39½ solidation Cos	27% 30% 20% 22% 16 16 14% 15% 16 17 41% 43 29 34	29% 35% 22% 26% 15% 18% 14% 16 16% 19% 42% 45 26% 29%	30% 33% 24% 25% 17% 18% 15½ 17% 19½ 43½ 43½ 30% 34½	29¼ 32 24¼ 26¾ 17¾ 19¼ 16½ 17 17% 18¾ 46¼ 48¼ 31½ 54¾ 30 33½	29¼ 32¼ 23¾ 24¾ 18% 19½ 16½ 18 17¾ 18¼ 46½ 48¼ 29 32¼ 32¼ 34¼	29¼ 35½ 22¾ 24% 19% 21 17% 18¼ 17¼ 19 46¾ 48¾ 31 33¾ 40%	31¼ 34½ 23½ 26 20¾ 24 17¾ 18¼ 17¾ 41¼ 45¾ 47 28½ 32½ 38¾ 41	31% 37½ 22% 25 20% 23% 17% 18 20 26 48% 48% 30½ 34½ 37% 40½	34½ 39 22 33½ 20 21¾ 17¾ 17¾ 24 27¾ 46¼ 49 27½ 31 36 38¾	33½ 41% 29% 38% 20% 24 17% 19% 20% 26% 46% 48 27½ 33½ 35% 40	38¾ 47½ 38¾ 44¾ 22 26¾ 18¾ 20% 21½ 24¾ 46% 50¾ 26 29½ 35¾ 40⅓
99 103½ 40½ 45 86 90½	48½ 49% 101 103¼ 98¾ 103¼ 97¼ 99 17% 19% 93 95 32¼ 33% 102½ 106 42½ 44% 89 91½ 112¼ 113	48¾ 50% 100½ 103 100 102¾ 96 97 18 19% 95 95 32½ 36½ 102 105¼ 44¼ 47% 89¼ 91¾ 112½ 115½	49% 51% 101 104 101½ 103% 94 95 17% 20% 93 96 33% 37¼ 101% 104% 46% 48% 91 94 115 117½	50½ 52% 100 102¾ 101½ 103¾ 94¼ 96 20 20% 95 95 36% 39% 103½ 105¼ 47% 50¼ 91½ 95 117½ 123	52% 54¼ 99¾ 102¾ 100¾ 103 97 97 20% 22% 95 95 37¾ 39¾ 104½ 105½ 49½ 52¼ 91 94½ 120 125¾	50% 54% 98 102% 100% 102% 94 96% 21% 24% 95 96 37% 40% 104% 104% 52% 87 92% 122 125	511/6 52 931/4 1003/4 961/4 101 23 243/4 571/4 391/4 1031/2 106 463/4 50 851/2 893/4 116 120	51¾ 55 92½ 95½ 93 94½ 23 26 86 90 38¾ 43¾ 103¼ 105¾ 48¾ 51¾ 84½ 87½ 117 120	55 57% 94% 96 94 98 85 86 25% 28% 87 90 43½ 46% 103½ 104% 51% 86% 125 140	53¾ 56¾ 94½ 96½ 93 95¼ 87 90 26¾ 30¼ 90 92 42¾ 45 104 104½ 55¼ 60¾ 82½ 85 133½ 143½	53 55% 92 98 93 96½ 87¾ 87¾ 27¼ 29¾ 69 91 43% 49¾ 102½ 104 55¼ 59¼ 62½ 85½ 134¼ 139½
8¾ 10 20¾ 20% 44 48½ 6 7½ 40% 44 28¼ 30¾ 18% 22½ 16½ 19¾	9 9% 20% 20% 47 52% 7% 8% 38% 4% 28% 31% 20 22% 17% 20	9 9¾ 49½ 52¾ 7¾ 8½ 42 48½ 29 31¾ 20 21½ 17% 24¼	8% 9 % 1934 20 ½ 48% 52 % 7½ 8% 45 ½ 50 % 28 ¼ 32 ¾ 1934 21 % 20 % 23 ¼	8% 10% 18½ 20% 48½ 52½ 8% 10 49 52% 33 36 20% 23% 20½ 23%	9% 12 20 21½ 50¼ 53¼ 9 9¾ 49 53¼ 34 35% 21½ 25¼ 21¾ 25¼	10% 11½ 21¼ 22 50½ 53¾ 8½ 9% 51¼ 57 34% 46¾ 21% 28¾ 22½ 25¾	10% 11% 21½ 21½ 50% 53½ 9 10% 60% 44 49% 26% 24% 28%	11½ 12½ 21½ 50½ 53¼ 56¼ 60 45 53¾ 27 29¼ 26⅓ 26⅓	11% 13½ 23 20½ 23 50½ 56 9½ 11½ 54 60 48½ 62% 26% 30¼ 28 34%	12 % 13 % 20 ½ 22 ¼ 53 % 58 10 % 10 % 55 58 % 59 66 % 29 % 34 % 27 % 31 ¼	11½ 13 21 21½ 56¼ 63 10⁵a 12¾ 56 64 57 61¾ 31¾ 37⁵a 26 28¾
21 24½ 50½ 52 52 52 33½ 35¾ 163¼ 168⅓ 13 16½ 74¾ 84¼ 85 86 86 86	22½ 25% 51½ 51½ 34% 36½ 161½ 16½ 13% 15½ 74% 82¼ 86 86½	22½ 24½ 52½ 52½ 36 42½ 159 162 13 14¾ 77 86¾ 86½ 87 85 87	21½ 23½ 51 51 55 55 36% 41 159¼ 166 12¾ 15% 79¼ 84¾ 85¾ 87½ 87½ 89	191/4 223/4 501/4 511/4 531/4 531/4 393/4 421/4 1631/4 167 141/4 161/4 801/4 851/4 851/4 851/4 86 86	19% 21½ 51 51¼ 53 54 41% 44½ 165 169 15¼ 17¾ 81¾ 86% 85¼ 86 87 87	20% 26 53 64 41% 45 160 168 16½ 17% 82% 90½ 85¼ 86½ 86 86	23½ 25¾ 50½ 50¾ 43¾ 45¾ 164 175½ 17% 18½ 88½ 94½ 87 88	24% 32 51½ 51½ 60 65 44% 47¾ 169¼ 174½ 18 18% 91 95 86½ 87 86¾ 88	30¼ 38¾ 51½ 51½ 65 79 45 51¼ 18 21¼ 86¾ 92¼ 83 86 86¼ 87	34 40 51½ 51½ 76¼ 80 49 55¾ 19¼ 21½ 87 92 84¼ 85 86½ 86½	36% 41 50½ 51 77 82½ 52% 55¼ 20½ 24% 91½ 102½ 85 85½ 85 86½
15½ 19½ 4¾ 5% 1¾ 2½ 24½ 28% 79 82 28½ 29% 15 15%	17% 18% 434 5% 2 2½ 26% 28½ 83 83 83 29½ 31% 15%	17 18 4% 5 2 2¼ 26% 29 83 83 30¼ 34½ 14¼ 17%	16% 18% 4% 5 17% 2% 25% 28% 83 83% 32% 34% 15% 19%	17¾ 19¾ 4½ 5¾ 1½ 2¾ 25½ 29 84 85¼ 33 34½ 17% 19½	1734 1934 536 596 236 236 27 30 85 86 3242 35% 1736 1934	18¾ 20 5½ 6½ 2¾ 2¾ 28% 30¾ 84½ 85¼ 33¾ 35¾ 16% 175%	19¼ 20% 6% 6% 6% 25% 2% 29% 35% 83½ 35% 34½ 35% 16% 18½ 23 25	18% 20 6¼ 7% 2½ 2¾ 30¼ 33¾ 81 81½ 35½ 36% 16¾ 17% 24% 25¾	17½ 19% 6% 8% 2% 3% 32 35% 81 81¼ 34¼ 37% 16% 17½ 25½ 25%	17% 20 8½ 9¾ 2% 3¾ 33½ 39½ 78 80¼ 34¾ 39¾ 17 20½ 25¾ 28½	18½ 19½ 8½ 9 3 3¼ 34½ 39% 80 84 38¼ 40¼ 16½ 20¼ 27¾ 29¼
12 15¼ 25% 30¼ 44 49¾ 95¾ 99½ 16% 19¼ 16½ 27½ 18¾ 20¾	14% 15% 29 31% 44% 48% 97 99% 15% 18% 22 24% 18% 22	15 17% 31 32½ 45 47% 95½ 97½ 16% 18% 22¼ 23½ 20 21¼	16½ 18¾ 32¼ 34¼ 46½ 97 100½ 16 17¾ 21 25¼ 19¾ 22¾	17% 22 34½ 39 45¾ 49% 97 100¼ 17¼ 19½ 23¾ 25% 22 25½	19½ 22% 34¾ 38 47% 53½ 96½ 101½ 18 20% 19 24½ 24½ 25½	20% 21% 34¼ 35¾ 46¾ 52 100 101 19% 25% 20½ 23¾ 27%	19½ 24¾ 34½ 35½ 50% 55¼ 95 22½ 24% 19½ 20½ 26 30%	23% 26½ 35 37 53¼ 58½ 94 95 23% 25% 19½ 22¼ 28% 33¾	23¼ 29 36% 40% 53% 56 93 94% 24 29 17 20 27% 31½	25½ 29¾ 40 40% 54½ 56¾ 92¾ 94¼ 24% 27% 16½ 22% 28 31	26% 31% 40¼ 41¼ 54¼ 58% 93 98 26 28¾ 16 18½ 27 33½
6% 8 29 31½ 9 10% 56½ 58	7% 8% 60 62 7 8 30 5 10% 56 6 58% 20 21% 23% 25 34 40% 45	8 % 9 % 61 62 34 7 % 29 % 32 8 % 9 % 55 57 19 % 20 % 24 % 40 % 44	8¼ 10% 62½ 66 7½ 8% 31 8% 9% 55 56½ 19% 20 22 24½ 31% 33½ 41½ 45	9% 11¼ 64½ 66½ 8 9½ 32% 33 8½ 9½ 55½ 56½ 19% 20° 225% 26¾ 32¼ 34½ 44¾ 50%	9% 10% 64% 67 8% 9½ 32 8½ 10¼ 56 18% 20% 26% 33½ 34% 47% 50¼	10 11¼ 65½ 67½ 8¾ 9¼ 34 36½ 8% 9¾ 53¾ 55½ 19¾ 20 25 29½ 33½ 35¾ 48¾ 52¾	10% 12¼ 64¼ 66½ 8% 9% 35½ 9% 12¼ 57 19½ 20% 26¼ 31½ 34 23 7 51¾ 59	12 13% 65% 68 9% 10% 35 37 11% 13¼ 57 59½ 21¼ 22 27½ 30% 34¼ 36½ 55 57½	12 1/6 14 1/4 68 69 10 1/2 12 1/6 16 1/2 59 1/2 63 1/4 21 1/6 22 1/6 22 1/6 29 1/6 55 1/6 58 1/4	12½ 14½ 69¼ 12¼ 14⅓ 37¼ 38% 13½ 16 60½ 62 22 23¼ 25½ 29 35 36% 56⅙ 63½	12½ 15 67 69½ 12% 14½ 37 39½ 15% 61 21½ 22% 25% 29 33 36¼ 57½ 62
83% 86 9% 10% 3% 3%	44½ 46 86 86 934 10% 3% 3% 3% 11½ 11½ 30¼ 32¼ 45¼ 49 84 85 84½ 86	43 45% 9% 10% 3 3¼ 11% 11½ 30 34 45¼ 47% 84½ 86 83 84½ 83 84½	41¼ 47½ 87 90 9% 11 3¼ 3¾ 10½ 10½ 30½ 33¼ 45% 49¾ 85 87 84 86 86 88	44¼ 48% 90 90 10% 11½ 3¾ 3¾ 10¾ 10¾ 10¾ 47% 49½ 86 87 88 88¼	44% 48 90 91 10% 11% 3¼ 4% 11 11 32¼ 36½ 48 51 83½ 85½ 85 87 88 89	46 51½ 90 90½ 10¾ 12 37% 4¾ 11¾ 12¾ 33½ 49 52¼ 82 84 85 87	51 55% 90½ 92 1136 12%  33 36% 48% 50% 80 83½ 78 81 83 83	52 54 90 92 11% 13½ 	54 57 90 90 12¼ 14% ————————————————————————————————————	52% 57 91 1/4 13 1/6 14 1/2 	55¾ 61½ 90⅓ 91½ 135% 14¼ 
13% 15% 27% 30¼ 30¼ 32½ 20% 22%	15% 16% 15% 28% 30% 30% 22% 20% 23 6% 7% 48% 19 20% 35% 39%	15¾ 17% 14¾ 16¼ 28¾ 30¾ 30 30% 19% 21¼ 6½ 7¼ 46¾ 49% 18½ 20% 34½ 37	16 16% 14½ 15% 28½ 33% 30% 32¼ 19% 21% 6% 7% 47½ 50% 17% 19¼ 34½ 39%	16 17 14 17 14 14 15 15 16 18 17 14 16 14 17 16 18 18 18 18 18 18 18 18 18 18 18 18 18	16% 18% 15% 35% 38% 33% 37 19% 22% 17% 19 38% 41	16% 19¼ 14 15¼ 37 39% 35% 36 19 23¼ 8½ 9% 53¼ 55 17% 20½ 39 43%	18¼ 19 13% 15¼ 39 45¼ 35% 35% 21% 24% 9 9% 53% 56 19% 22 42½ 46%	18% 21% 14% 17¼ 42½ 47 23½ 25% 9½ 11½ 53% 55½ 19% 21¾ 44 47%	20 21% 16% 19% 46% 51% 	21 1/2 24 1/4 17 1/2 19 7/8 46 54 1/2 24 3/6 30 1/2 10 1/2 62 1/4 20 1/4 23 50 3/4 57	22% 26½ 17½ 19½ 47 52% 7% 20¼ 12% 60% 63¼ 20% 25½ 54½ 58%
58 58 9% 10% 39% 40%	39 39% 55 57 9% 10¼ 37% 43¼ -33¼ 36¼ 27¼ 29¼ 31¼ 32½	39% 40% 55 55% 10 10% 36 40% 34% 34% 31% 37% 27% 28% 29% 31	39 % 39 % 55 50 % 10 % 9 % 10 % 29 % 32 % 34 % 32 % 29 % 32 %	39 % 39 % 55 55 934 12 % 30 33 30 % 33 14 32 32 32 4 31 ½ 32 34	39% 41% 55% 56 10% 11% 30% 32% 33 34% 32% 31 32%	39% 40% 55 55% 11% 15% 30 37% 33% 38% 31 32% 31 32%	39% 40% 56 13½ 14% 32% 36 34½ 34½ 34½ 36% 31½ 30% 31½	39½ 40½ 57 60 13¾ 16½ 32½ 35½ 40¾ 42¼ 30¾ 35% 30½ 31	39½ 40½ 60 63 14½ 17¾ 34¼ 36½ - 39¾ 46 30¼ 32¾ 30½ 31¼	40 42% 59 64 13% 16% 34½ 42 -41½ 43% 30¼ 33% 30¼ 30%	4154 4236 6114 6112 14 1576 37 42 -4276 4876 31 3344 3036 3134
11% 13% 14 16% 25% 27% 9% 12 8% 10% 11% 14 63% 74% 12 14% 52% 58%	12% 13½ 16% 18% 26% 28 11 12½ 9% 10% 13% 15% 55 6% 13% 14% 54% 59%	13% 13% 16% 21½ 26% 27% 11% 113% 10 10% 14 155% 58½ 13 14% 55% 58½	13% 15 18 20% 26% 27% 10% 12% 9% 10% 14% 54% 56% 12% 13% 52% 57	14% 16 19% 24% 27% 29% 11% 12% 10% 10% 15% .7% 56% 62 13% 14% 52% 57%	15 15% 22 25 29 30% 11% 15% 10% 11 15% 16% 55% 61% 14% 17% 54% 57%	1434 15% 2414 2734 2813 3134 1314 1534 11 1134 1414 16% 55% 61 16% 17 5434 63	15 15 ½ 26 ¼ 31 % 30 ½ 31 % 16 ¼ 10 ½ 11 ¼ 15 % 16 % 58 61 % 61 % 67 ¼	15 16½ 31% 36% 30% 33¾ 15% 18½ 10¾ 10% 14% 16% 57% 63% 16% 18¾ 63¾ 67¾	16 16% 31% 38% 32½ 34½ 16½ 18 10% 12 15 16 56½ 61¼ 17¼ 18½ 63½ 70%	16% 19% 36% 41% 32% 35½ 16% 19% 11% 12% 15% 17% 56% 60 17% 20% 69% 76%	18 19 35 % 43 % 32 % 34 ¼ 18 ½ 26 % 12 % 19 % 16 % 19 % 16 % 77 ½ 77 ½ 77 ½
	29 34¼ 19½ 23¼ 14½ 15% 13¼ 15% 13¼ 15% 13¼ 15% 13¼ 16½ 40¾ 44 23¾ 39½ solidation Coa  48½ 98½ 103 98½ 103 98 103½ 98½ 103 99 103½ 40½ 45 86 90½ 109 114¾  8¾ 10 20¾ 20% 44 48½ 109 114¾  8¾ 10 20¾ 20% 44 48½ 109 114¾  8¾ 10 20¾ 20% 44 48½ 16½ 19¾  16½ 52 52 33¾ 35¾ 16¾ 16¾ 16¾ 19¾  21 24½ 25½ 52 33¼ 35¾ 16¾ 16¾ 16¾ 19¾  21 24½ 26½ 52 52 52 33¼ 35¾ 16¾ 16¾ 16¾ 19¾  21 24½ 26¾ 28% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 19¼ 16¾ 26% 26 86  15¼ 16¾ 26% 26 86  15¼ 16¾ 36% 15¾ 36% 16¾ 3	Samuery   Law   Bigh   Law   L	Company   Comp		Cornell   Corn	Section   Sect					

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STOCKS	January Low High		arch April High Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Dresser Industries Inc	37 41 16% 18% 2 24% 28% 1 10 10% 6 176 185% 1 106 12 109% 85 89% 85 89% 34% 38% 0 42 42	371/6 427/6 35 177/4 189/6 179/4 271/4 304/2 283/4 10 10 9 7 81/4 79/4 175 1881/2 1741/6	38% 33 37% 18½ 18 19% 31½ 28½ 29½ 99% 8% 7% 8% 182 172% 179 109% 108 112¼ 89 87% 91¼ 37% 35% 39¼ 44 42½ 45	34½ 37% 18% 20 27½ 29½ 9¼ 10½ 8 8½ 174¼ 179½ 109½ 111½ 89½ 91 38% 39½ 46 46½ 50 50	34¼ 39¾ 19½ 20 28 29¾ 10¾ 12½ 7% 9½ 178¼ 192	38% 44% 19% 21% 11 11% 8% 9% 184% 195%	40½ 44¾ 20¾ 22¼ 11½ 12 9 10¼ 192½ 198½	40¼ 46¾ 20½ 22¼ 11¾ 13¾ 9½ 11¼ 195 201½ 101 103½ 81½ 84½ 30¼ 42 40¾ 41½ 43 48 41¼ 43½	39½ 46% 22 23% 13 14 10½ 12¼ 192¾ 207¼	39% 42% 22% 23% 13% 14% 10% 14% 10% 14% 108% 208 102 104 42% 40% 42 41% 45 47 41% 44%	39 42% 22% 23% 12 13% 12½ 14½ 196 214 102% 104% 82 36% 47½ 50% 30% 41% 46 46% 43 45%
4.20% preferred 54.10% preferred 55.2.10 preferr	0 48 50 0 46\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	30% 33% 30% 30% 34 38½ 36 18 20 19½	50 50 50 48 46½ 49 50 — 77½ 18 <sup>7</sup> / <sub>4</sub> 16 17½ 33¼ 30% 31½ 38¼ 31 35¾ 21½ 20% 30¼	48½ 50 48½ 51 48½ 50 16½ 17% 30¼ 32¾ 31 34½ 28¾ 32	31 ½ 34 % 32 34 ¼ 31 36 ¼ 27 %	32 ¼ 35 ¼ 34 34 34 34 37 32 32 37 32 37 36 36 37 37 32 37 37 37 37 37 37 37 37 37 37 37 37 37	34 1/4 36 1/4 37 46 48 21 1/4 22 1/4 38 1/4 38 1/4 37 1/4 41 1/4 27 1/4 30 3/4	34 ¼ 39 ¼ 34 ¾ 36 ¾ 39 ½ 47 % 29 ¼	38¾ 42 35¼ 37% 27¼ 30%	47% 48 45% 44% 45% 23% 24% 38% 41% 32% 38 25% 29%	39 ¼ 45¾ 32¾ 36 39¼ 45¾ 32¾ 36 27¼ 29
4½% prior preferred 10 Eastern Stainless Steel Corp Rights Eastman Kodak Co 1 6% preferred 10 Eaton Manufacturing Co 10 Edison Bros Stores Inc 10 Ekco Products Co 2.5 4½% preferred series 10 Elastic Stop Nut Gorp of America 10	73½ 78 5 26% 31 97% 103 0 154 157 2 38½ 46¼ 1 22½ 24¾ 0 76 81 0 22½ 26 0 86 86 1 18¼ 20¾	75¼ 78 76¼ 28¾ 31¼ 31¼ 31¼ 31¼ 31¼ 31¼ 31¼ 153 157 151 41 43% 42 24¾ 24½ 26¼ 24¾ 24¼ 26¼ 26¼ 24¾ 26¼ 26¼ 28¾ 28¾ 20½ 18	80 79 81% 4 37% 329% 35 ¼ 4 107% 100% 107% 159 152 159 43 ¼ 41% 45 %  24% 24% 27% 81 80% 82 6 27¼ 23 27 2 95 91 94 19 14¾ 18%	80% 82¼ 34¼ 38¾ 103½ 107% 154% 158¼ 41% 44½ 23% 24% 90% 14½ 15% 15%	77% 82% 36% 41½ 41½ 104 113 157 158½ 43½ 47½ 28 29½ 79 83¼ 24% 27¼ 90% 90% 90% 14% 16%	77 <sup>1</sup> / <sub>4</sub> 79 <sup>3</sup> / <sub>4</sub> 40 <sup>3</sup> / <sub>4</sub> 52 <sup>3</sup> / <sub>6</sub> 110 <sup>3</sup> / <sub>4</sub> 118 <sup>3</sup> / <sub>4</sub> 155 156 <sup>3</sup> / <sub>2</sub> 46 <sup>3</sup> / <sub>4</sub> 50 <sup>3</sup> / <sub>4</sub> 28 <sup>3</sup> / <sub>6</sub> 29 <sup>3</sup> / <sub>6</sub> 81 83 25 <sup>3</sup> / <sub>2</sub> 30 <sup>3</sup> / <sub>2</sub> 92 15 <sup>3</sup> / <sub>6</sub> 16 <sup>3</sup> / <sub>6</sub>	76¼ 78 47% 53¼ 115% 120½ 156 156% 47¼ 52¼ 29½ 31¼ 81½ 81½ 27% 31½ 93 93 16% 17%	77 78½ 48¼ 55% 119¼ 191 152 156 51 55¾ 29% 31¾ 80 81½ 28¼ 32½ 16¾ 18¼	76 78% 51% 56% 1% 183 125% 130 150% 154 53% 59 30% 32% 80 80% 29% 33% 93 93 16% 18%	77 80 52 59% 13 18 1276 1444 1824 1554 544 57% 30 33 804 81 304 334 93 93 17% 184	76% 78% 52% 57% 52% 57% 57% 58% 58% 58% 58% 58% 58% 58% 58% 58% 58
Electric Auto Lite (The) Elec & Musical Ind Amer shares 10 s When issued Electric Storage Battery 1 Elgin National Watch Co El Paso Natural Gas Co  Emerson Electric Mfg Co Emerson Radio & Phonograph Corp Empire District Elec Co (The) 1 Endicott-Johnson Corp 2 4% preferred 10 Equitable Gas Co 8.5	h 3¾ 4¼  0 26¼ 29½  8 6¾ 9½  27 30½  4 29 32½  8 4½ 5¾  0 17½ 20%  15 31½ 33%  79 87%  6 26¼ 29½	25¼ 27% 26 33¼ 4¼ 33 29¼ 31¼ 30 83% 93¼ 73 28% 30% 27% 30% 33 31¼ 43¼ 55% 4% 20¼ 22 20⅓ 33⅓ 34¼ 333 84 88⅓ 84 28% 30 29	31 30 31 ¼ 8 8 4 7 8 8 8 8 29 9 4 28 33 3 3 3 4 6 34 8 32 ½ 35 ½ 6 6 6 2 21 4 21 3 4 2 3 4	4% 5% 5% 32% 7¼ 8% 31½ 32% 32% 34¼ 37% 7 21½ 22 36 36¼ 86 99 30¼ 32¼	28% 31% 31% 31% 31% 35% 35 35 36 40% 21% 31% 36% 31% 38% 31% 31% 38% 31% 31% 31% 32% 31% 31% 32%	30¼ 34¼ 456 5⅓ 31¾ 33¾ 756 6¾ 30¼ 33¾ 676 7½ 21¼ 22¼ 30 32 84¾ 87 81% 33¾	33½ 37½ 5 5% 32¼ 34¾ 7¾ 8¼ 31¾ 33% 37% 40¼ 6¾ 8½ 90¾ 21% 31½ 32% 84¼ 86⅓ 31¾ 34%	36% 37% 6 33 34% 8 9 31% 33% 38% 42% 8 90% 22 30% 32% 88% 32% 36% 86% 32% 36%	35 ¼ 38 5¾ 8 8 8 8 9 ½ 8 8 9 ½ 32 34 35 ¾ 8 12 ½ 20 ½ 22 ½ 82 ½ 82 ½ 82 ½ 84 ½ 34 34 36 % 12 ½ 6 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 12 36 82 ½ 84 ½ 34 36 82 ½ 84 ½ 34 36 82 ½ 84 ½ 34 36 82 ½ 84 ½ 34 36 % 12 36 82 ½ 84 ½ 34 36 % 12 36 82 ½ 84 ½ 34 ½ 34 ½ 34 ½ 34 ½ 34 ½ 34 ½ 34	35% 39 7% 8% 35% 40% 9% 10% 31% 34% 47 51% 10% 15% 21% 23% 21% 23% 31% 34% 79% 83% 35 36%	36 97% 38 40 9% 11% 31 39% 48 56% 13% 16% 22% 24 32% 33% 80% 84% 35% 36%
Fairbanks Morse & Co	44½ 60 56 56 5 11¼ 14½ 1 13½ 15½ 3 28½ 32½ - 39¼ 41¾ 1 7 8% 1 - 38%	7 836 67 51½ 6034 50 55½ 55½ 55½ 12½ 14½ 12 15½ 17¼ 16½ 29½ 32% 29½ 38% 39% 37½ 6½ 9¼ 8	53½ 47 60 57 11 13% 4 19% 18¼ 19% 4 34% 31% 38% 5 39% 37% 38% 6 8 12%	16% 19% 35 % 39	7% 50% 54% 54% 56% 22 13% 17% 19% 34% 37% 38% 10% 12% 25% 26% 83 83	50½ 56 55 55 12½ 14¾ 18¾ 20¼ 34¼ 40¾ 37½ 38¼ 10¾ 11½ 26 28½ 83¾ 64¾	9% 10% 55% 56% 56% 13% 16% 18% 19% 38% 41% 29% 11% 29% 55% 88	9½ 12¾ 53½ 60 55 57 15½ 18 17¼ 19½ 41¼ 44¼ 35 40 10½ 11½ 27% 30½ 86½ 89	10% 12% 57% 60% 16% 16% 18% 18% 18% 43 18% 43 18% 43 18% 43 18% 43 18% 43 18% 18% 18% 18% 18% 18% 18% 18% 18% 18%	11½ 13 57¼ 59¾ 17½ 21 19½ 28 40¼ 43% 32% 35½ 10½ 12¼ 28¼ 29% 53¾ 86½	32½ 35 9¾ 29% 32½ 35 9¾ 12% 28% 29% 84½ 86%
4% convertible preferred 10 Fajardo Sugar Co. Faistaff Brewing Corp. Family Finance Corp. 5% convertible preferred series B.5 Fansteel Metallurgical Corp. Fawick Corp. Fedders-Quigan Corp. 5½% conv preferred 1953 series. Federal-Mogul-Bower Bearings.  Federal Pacific Elec Co. Federal Paper Board Co Inc.	10 734 10 11 1514 1614 11 2414 2736 10	736 956 83 1534 1636 163 27 2836 26 4836 52 473 446 436 4 12 1332 123 50 50 54 3236 3632 32 1976 2134 19 3116 34 325 1946 2044 20	16 1034 856 93/ 4 1846 17 18 283/s 253/2 28 253/2 455/6 475/ 43/6 33/6 43/7 43/6 133/6 113/4 133/6 54 52 54 343/6 333/6 353/7 203/4 183/4 193/7	17 17% 27% 30% 43 46% 44 5% 13% 14% 54% 54% 33% 36% 19% 20% 19% 20% 34% 35%	17 17% 28 30% 45% 49 5% 8 12% 54 54 54 33% 36% 18% 22% 36 39% 20% 22	17¼ 18 27¾ 30 80 80 46¼ 52 4¾ 5% 12½ 13 52 53 35% 38¾ 21¼ 24½ 38½ 42½ 21½ 22	17 17½ 28 31 49 51¾ 4% 55% 12% 13% 50½ 52 39 42½ 23 24% 41 44 21 21¾	17 1/6 18 28 1/6 30 % 80 80 47 1/2 50 1/6 53/6 57/6 12 3/4 14 1/4 52 54 1/2 40 1/4 42  22 3/6 24 43 3/4 46 3/6 20 3/4 21 1/2	17½ 18½ 28% 29% 79½ 48 55 5½ 6½ 13½ 14½ 54¼ 55½ 41% 47¾ 21½ 23½ 44¼ 49½ 21½ 21½ 21½ 21½	18 1944 29 3244 80 82 42 4645 5046 544 56 4742 53 21142 23142 4344 52 21 2134	18% 19½ 31 33 87% 88% 47% 50% 55% 654 14½ 55 20% 22% 47% 50 21% 22
4.60% preferred Federated Department Stores Inc. 2. Fenestra Inc. Ferro Corp Fibreboard Paper Products Corp. 4% convertible preferred. 10 Fidelity Phenix Ins Co of N Y Fifth Ave Coach Lines Inc. Filtrol Corp. Firestone Tire & Rubber Co. 6. 4½% preferred. 10 First National Stores Inc.	50 29¾ 31% 10 20¼ 22¾ 11 16½ 20 2 20½ 26 50 83¾ 85 50 48 50½ 10 20⅓ 22% 11 39% 44¼ 25 87 93½ 10 101½ 102¾	1992 2044 325 3094 3314 325 2094 2194 199 1916 2046 187 2494 2642 245 89 92 93 4776 531/2 501 2196 2296 199 391/2 451/4 481 8376 881/4 837 102 1021/2 102	4 36% 34% 38% 6 23% 18% 20 6 20¼ 18% 19% 6 26% 22% 24% 97 90 95 6 24% 16% 20% 6 24¼ 16% 20% 6 43% 38% 41% 6 88½ 82% 87% 103% 102 103	36¼ 39½ 18% 19½ 21¾ 24% 28% 92½ 99 50¼ 52% 17½ 18% 39% 42% 83½ 87% 102¼ 104	37% 40% 17% 18% 20% 21% 98% 100% 50% 53% 17% 19 40% 48% 84 89% 103 104% 64 69% 17% 18	39½ 42¼ 17¾ 19¾ 20% 24¼ 29 32½ 101 111 53¼ 56% 17 18¾ 45 49% 88½ 100¾ 101¾ 104	39% 44% 18% 21% 23% 26% 32 37	43% 49% 17% 19% 24% 26% 35% 38% 120 130% 54% 18% 20 43% 46% 98% 100% 103	44% 52% 17% 18% 26 28 36% 40% 125 134 51% 57% 17% 20% 42 48% 101% 110 100% 104	46% 52½ 17½ 19% 26% 30¼ 39% 45 135 150 55 60¼ 18 22½ 41 44% 109 120¼ 101% 103	50% 57 18% 19% 27% 30% 42% 52% 145 168 58% 67% 18% 21% 41% 46% 117% 136 101% 102
Firstamerica Corp. Firth Carpet Co. Flintkote Co (The)  \$4 preferred \$4.50 convertible A 2nd preferred 1 Florence Stove Co. Florida Power Corp	-5 7½ 8¼ -5 37½ 41¾ -6 87¾ 91 -00 -1 12% 167a -50 567a 59 -50 54 59¼ -1 39% 44½ -1 39% 44½	6% 7% 69 40 4234 41 91 93% 91 14% 15% 14 58 60 57 5834 60% 59 1874 1958 175 4358 4734 43	71/6 63/4 75/4 43/91 90 91  151/4 58 653/6 665/9  16 633/6 663/6 665/9  17 183/4 47 441/2 473/9	7 8½ 41% 43% 91 92 4 62½ 65% 6 65% 68¾ 4 17½ 19% 6 47½ 52¼	7 8½ 43% 91 94 66½ 69½ 66½ 69¼ 18½ 22 50⅓ 52 33¾ 35	7 8% 42% 47 92 92	8 9% 45% 49% 92 94	9¼ 10¾ 46½ 50¾ 92 92 74¼ 79¼ 71¾ 76¾ 21¾ 22%	9% 10½ 48% 52¼ 86 90	8% 10 50¼ 59¾ 88 90 	9¼ 10½ 56¼ 61¼ 85½ 90 107¾ 112 ———————————————————————————————————
\$4.20 div preferred series of 1951_b Food Glants Markets Inc	15 87 88 1	39 43 38 39 4 45 39 15 16 16 25 4 30 5 27	%     25%     20¾     23³       %     13%     11½     12³       56½     52¼     55       107     107½     113       93¾     93     93°       ½     41     35½     40       ½     17½     16³4     18³       ½     17½     16³4     18³       ¼     30%     28     34	53½ 57 115 116 4 93½ 94 38¾ 44% 6 38½ 40% 6 17½ 18¾ 11½ 38¾	201/2 23 11% 123/4 54 % 57% 113 116 94 94 1/4 42 48 % 40 % 42 /4 17 1/2 13/6 36 1/2	20% 23 11¼ 12½ 54½ 60¾ 117 122½ 93½ 95 46¼ 50¾ 39¾ 43¾ 17% 18¾ 32½ 37%	21% 26% 11% 13% 56% 63% 128 128 94 41% 43% 11% 43% 17%	23½ 25% 12½ 13½ 63¼ 70 132 133 89 91½ 47¾ 52¼ 41¼ 48¼ 18¼ 18% 35¼ 37%	25 % 30 % 13 15 % 66 ½ 72 35 ¼ 36 138 145 89 90 38 ½ 51 % 45 48 ¼ 18 ½ 20 % 33 ¼ 39 ¼	28% 30% 14% 15 71 79 35% 39% 147% 150 89 92 36% 41% 44% 50% 19% 22 32% 36%	28½ 35% 17% 17% 17% 17% 17% 17% 17% 17% 17% 17
Francisco Sugar Co. Franklin Stores Corp. Freeport Sulphur Co. Fruehauf Trailer Co. 4% preferred 1  Gabriel Co. Gamble-Skogmo Inc common. 5% convertible preferred	- 8% 12 1 10 <sup>3</sup> 4 11 10 67¼ 69 -1 9¼ 12% 00 54 62	10% 11% 10 10% 11% 10 71% 79% 71 11 13% 11 60% 63% 61	36 12% 10¼ 113 34 11½ 11 11 12 84 77¼ 83 36 12% 113% 123 6334 63 643 34 836 736 81 36 936 936 10	9 11¼ 11¼ 83¼ 92½ 4 11¼ 12% 59¼ 65 4 7½ 8¼ 9% 11¾ 4 42 45¾	11¼ 12¼ 11¾ 12½ 88¼ 91½ 11½ 11¾ 59 60½ 7% 8% 10½ 11½ 44 48 26½ 29¼	12 12 ¼ 88 98 ½ 11 ¼ 14 59 65 ½	10% 12% 12 13 92 101% 13% 144 60% 65% 8% 11% 12% 14% 45% 46 29% 32%	12½ 15 12% 13¼ 91½ 98% 14¼ 18¼ 60½ 65½ 10¼ 12½ 13½ 17½ 45½ 45 29% 31%	11% 13% 13 14½ 91¼ 101½ 15½ 17¼ 64 65% 11¼ 12½ 15% 17¼ 43¼ 45% 29¼ 32¼	10% 12% 13% 14% 95% 107% 15% 18% 64% 66	9½ 12½ 13% 15½ 95 103 16¾ 20 65 70 13 14% 16½ 17 44 46 29 35
NOTE: All stock footnotes shown	_ 20½ 24	22% 24% 23	23% 23% 24	23% 28%	2079 2974	28% 30%	291/2 321/6	-376 3176	u regierator	- 2 - 3 - 11	

The second secon	January low High	February Low High	March Low High	April Lew High	May Lew High	June Lew High	July Lew High	August Lew High	September Low High	October Low High	Nevember Low High	December Low High
Gardner-Denver Co	32 35% 33% 33% 37% 5½ 44% 27 41¼ 15½ 35% 4½ 455% 29 69½ 72½	33 35½ 31½ 35¾ 4¼ 4¼ 25 25½ 15¼ 15% 3¾ 4 55 55 28 30 99¼ 101 24¼ 29 70¾ 75¼	33¼ 34¾ 31¾ 34½ 4½ 5⅓ 26 28⅓ 15⅙ 15¾ 3⅓ 3⅓ 27¾ 28¾ 90⅓ 100⅙ 25⅓ 30¾ 74½ 79½	33½ 37% 31% 34% 4½ 5½ 5½ 27¼ 29 15½ 15% 33¼ 4 52½ 53 28 29% 99% 102 26% 28% 74½ 78%	37 38% 39% 5 5% 39% 5 5% 30% 5 5% 30% 5 5% 3% 5 5% 3% 5 5% 3% 5 5% 3% 5 5% 5	38 41½ 35¼ 40¼ 478 5¾ 27 28½ 15 15⅓ 3¾ 4 28¾ 30¼ 99¾ 101 32⅓ 35¾ 82 85¾	39 <sup>3</sup> / <sub>4</sub> 43 <sup>7</sup> / <sub>6</sub> 38 44 <sup>4</sup> / <sub>2</sub> 5 6 28 <sup>1</sup> / <sub>2</sub> 31 <sup>1</sup> / <sub>2</sub> 15 <sup>3</sup> / <sub>4</sub> 4 <sup>3</sup> / <sub>6</sub> 52 <sup>3</sup> / <sub>4</sub> 53 <sup>3</sup> / <sub>6</sub> 29 <sup>3</sup> / <sub>4</sub> 32 <sup>3</sup> / <sub>4</sub> 99 101 33 <sup>3</sup> / <sub>6</sub> 36 <sup>3</sup> / <sub>4</sub> 83 93 <sup>3</sup> / <sub>4</sub>	41½ 43% 40% 44 5% 6% 30½ 33½ 16 16½ 4½ 4½ 31% 33 96½ 99% 35¼ 39% 89 94%	41 45 3934 4256 556 652 30 33½ 16 1652 4½ 47a 55½ 56 32¼ 36½ 95 96½ 37¼ 40½ 91¼ 937a	44¼ 50¼ 38% 41¾ 534 7¾ 32¾ 34 15¾ 16¾ 4½ 5 33¾ 35¾ 95¾ 35¾ 95¼ 35¾ 39½ 92¾ 100¾	47¼ 50% 39¼ 44% 5¾ 6½ 31¾ 33¾ 16½ 17% 60 67½ 34¼ 26% 95½ 97½ 36 39¾ 100 109	48 1/2 51 1/4 41 3/8 45 1/2 53 4 6 1/2 31 3/8 33 3/4 16 3/4 7 3/4 65 67 1/2 22 1/2 36 3/8 95 1/8 96 1/2 32 3/4 36 3/4 101 117
### 12   12   12   12   13   14   15   15   15   15   15   15   15	9% 10% 132 132 19% 21% 34% 75 83 48 50% 11% 12% 10% 11% 11%	9% 10¼ 131 134 21¾ 25½ 31¼ 34¾ 82 83½ 48 50¼ 12 13 11¼ 11¾	10% 11½ 134 139	10% 11¼ 139 139 26 28% 30% 31½ 77 81 50 51½ 13% 11¼ 11¼ 11¼ 11¼ 11¼ 11¼ 11¼ 11¼ 11¼ 11	10½ 11 138 140 26⅓ 28 31¼ 34¼ 82 90 50 52¾ 13½ 15⅙ 11¼ 11¾	10 <sup>3</sup> / <sub>4</sub> 11 <sup>3</sup> / <sub>8</sub> 136 <sup>3</sup> / <sub>2</sub> 139 <sup>3</sup> / <sub>2</sub> 26 <sup>3</sup> / <sub>4</sub> 28 <sup>5</sup> / <sub>8</sub> 33 <sup>3</sup> / <sub>2</sub> 36 <sup>3</sup> / <sub>4</sub> 89 93 <sup>3</sup> / <sub>4</sub> 49 52 <sup>7</sup> / <sub>8</sub> 13 <sup>3</sup> / <sub>4</sub> 14 <sup>3</sup> / <sub>8</sub> 11 <sup>3</sup> / <sub>8</sub> 11 <sup>5</sup> / <sub>8</sub>	10% 11¼ 138 140 140 157 158 3138 3234 3638 9012 9334 5178 68 1338 1434 11 11½	11½ 12 139 141 27½ 30¾ 35¾ 37¾ 88 90½ 62½ 66 14¼ 16 11¾ 12¼	11½ 12½ 135½ 141  29 30⅓ 36³¾ 40³⅓ 82 86 64 70 15½ 16½ 12 5⅓	1134 1314 138 141 2836 3436 37 3978 80 85 6814 72 1534 1634	12 14 14 18 138 141 16 17 12 12 17 18 12 33 78 38 14 37 14 39 78 81 83 68 12 72 78	12½ 12% 141 1634 17½ 8 8½ 4 37½ 40 43½ 80 83½ 70 74% 9 9½
General Dynamics Corp	16% 19% 59% 65% 65% 60% 64% 19% 21% 48 53 4% 6 600% 67 13 116% 33% 12% 117% 92% 117% 92%	15% 19% 63% 59% 64% 24 52% 57 55% 68% 114 115% 33% 36 114% 116 89% 90%	14¼ 15½ 55¼ 60% 59% 62% 23 23⅓ 52½ 57 6⅓ 67% 67 70 112¾ 115 34 36⅓ 112½ 114½ 89⅓ 90¾	14 15 55 58½ 57 60% 23 24 54% 57% 57% 75% 68% 75 112 115½ 34% 38% 113 116% 89 91½	14½ 16¼ 55 58 58 60% 24¼ 25½ 56% 59% 7½ 9½ 74 77½ 114½ 116¾ 37¼ 39¾ 114¾ 116¼ 90 91¾	15% 17% 56% 56% 56% 56% 56% 60% 60% 60% 60% 60% 60% 60% 60% 60% 6	15 1/a 16 7/a 56 1/a 61 7/a 64 64 7/a 64 7/a 62 1/a 69 77 1/a 80 1/a 112 1/a 115 1/a 39 3/a 44 5/a 113 116 87 1/4 90 1/a	16 1/4 18 3/8 59 1/8 62 3/4 62 3/4 64 1/2 69 3/8 83/8 9 3/8 78 85 106 3/4 113 42 3/4 14 3/4 14 3/4 83 88 1/2	1716 1914 58 6234 6312 6834 2714 2778 6636 71 934 1034 7936 8234 105 10812 4316 4916 10634 109 8334 86	19¼ 21¾ 57 62¾ 64¼ 68¾ 27¼ 27% 64½ 69 9% 11¾ 80 85% 105 109 46¼ 50¼ 105½ 108½ 83¼ 86¾	19 1/4 26 1/8 60 66 5/6 67 3/4 71 1/4 29 3/4 67 3/4 77 11 1/8 20 1/8 78 78 78 5 21 11 46 3/8 52 107 110 5/6 83 1/4 85 1/2	24½ 29% 61% 67¼ 69% 79% 29% 34½ 73% 79½ 17% 22% 82½ 89½ 107 111 46% 50¼ 107½ 109¼ 83 85
General Portland Cement Co 1 General Precision Equip Corp 1 \$1.60 convertible preferred 53 convertible preferred 60 convertible preferred 70 conve	34 35% 48% 61% 34¼ 41 28% 30% 44% 51% 4 4% 37% 40% 22 24¼ 15% 16%	34 <sup>3</sup> 4 36 <sup>7</sup> a 60 63 <sup>3</sup> 4 37 <sup>1</sup> 4 40 <sup>1</sup> 2 30 31 <sup>1</sup> 2 50 <sup>1</sup> 2 52 <sup>1</sup> 2 4 <sup>1</sup> 4 4 <sup>1</sup> 2 39 <sup>1</sup> 4 40 <sup>7</sup> 6 22 23 <sup>9</sup> a 15 <sup>1</sup> 4 15 <sup>1</sup> 2	36 38 4 60 4 63 7 6 38 1 2 30 1 4 31 3 4 49 1 2 51 40 4 42 1 4 22 23 1 4 15 3 6 16 3 6	37 38 5 8 60 63 ½ 29 ½ 36 5 30 30 ½ 49 51 34 47 6 41 2 43 % 21 ½ 26 17 ½	34% 36½ 6134 6534 28% 32% 27 28½ 48½ 50½ 47% 5	35% 37 66 68½ 28½ 35¼ 27½ 28 49½ 52¼ 4% 5 43% 44% 26% 29% 19% 22½	36 38 67½ 72½ 29% 34 27½ 29½ 50¾ 51% 47% 5 42¾ 45¾ 28 30½ 20% 23%	37 38½ 69½ 75½ 27 33% 28% 30 47½ 51% 47% 5½ 42% 44% 28 31½ 22% 24¼	36½ 41% 73% 78% 27% 30½ 30½ 30½ 30½ 5½ 5% 5% 5% 5% 43% 45% 45% 27½ 32% 22% 24%	38 14 39 12 76 14 83 28 15 32 34 30 12 31 14 49 14 50 15 6 5 15 6 6 32 34 32 34 32 34 32 34 32 34 33 15 30 32 76 22 34 23 3 15	28 % 40% 79% 87 1/4 29 % 32 1/4 29 30 3/4 48 1/2 50 53 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	40½ 44 7734 82½ 30¼ 36¾ 29¼ 30¼ 48½ 52¾ 5¼ 5½ 44 46¾ 50⅓ 35 38% 20% 23½
General Shoe Corp	32½ 36% 20¼ 24¼ 17½ 20¼ 40% 43% 16% 19½ 27¼ 30 58³4 164 79 84¾ 84½ 92¼	34\\\dagger 37\\\dagger 23\\\\dagger 24\\\\dagger 41\\\\\ 43\\\\\dagger 21\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	34½ 36 22 23¾ 19% 20¾ 41¼ 43¾ 20¾ 21¾ 24¼ 27% 138 156 84 86 91¾ 93½	33 36½ 21½ 22% 19½ 22 25½ 26½ 42% 46½ 18¼ 21½ 22¼ 24¾ 90 90 108 84¾ 89 91 94¾	33\% 35\% 22\% 24\% 21 22\% 26 26 45\% 18\% 19\% 22\% 25\% 48\% 18\% 15\% 90 90 133\% 137 85\% 87\% 92\% 94	33¼ 36 22½ 23½ 22 24% 22 24% 47½ 50¾ 19¼ 22½ 24 26½ 139 143 83¼ 87½ 94 97	34 39 % 22 ½ 24 ¾ 26 26 ½ 27 ¾ 26 21 % 20 21 % 20 21 % 23 ¼ 27 ½ 27 ½ 27 ½ 20 135 ½ 150 85 ½ 89 ¾ 93 95 ½	37 <sup>3</sup> 4 41 22 <sup>3</sup> 4 24 <sup>5</sup> 8 25 <sup>3</sup> 6 26 <sup>3</sup> 4 25 <sup>3</sup> 8 26 <sup>1</sup> 2 50 <sup>3</sup> 4 53 <sup>3</sup> 4 21 <sup>3</sup> 4 24 <sup>3</sup> 8 26 28 <sup>3</sup> 4 90 90 <sup>1</sup> 2 149 160 <sup>1</sup> 2 87 <sup>1</sup> 4 89 <sup>3</sup> 4 94 <sup>1</sup> 2 96	395a 455a 24½ 27¼ 255a 283a 27½ 27½ 51½ 52½ 23 25½ 26¼ 275a 90 90 148½ 157 86 91 93 96½	43 47% 24% 26% 24% 27% 24% 27% 26% 27½ 51% 53% 23¼ 24% 25% 33% 151% 188 86 88% 92% 97%	43¼ 48% 27 2516 27% 28 26% 26% 26% 53% 59½ 23 26% 32 45% 185 251 67 91 97 98³4	43 ¼ 47 58 26 27 38 24 ¼ 26 58 27 27 ½ 26 34 27 55 34 63 26 % 34 ½ 41 % 50 ¼ 243 275 88 90 78 95 58 99
Gerber Products Co	16½ 17¾ 30 34¾ 2¾ 3¼	28 30% 47¼ 51½ 23¼ 27¼ 7% 8⅓ 33½ 36½ 23¾ 25% 90 90 16% 18 33¾ 34% 25¾ 3½ 158 158	2714 3314 47% 48% 23% 26% 8 974 33% 3644 24% 26% 90 90 15% 17 2914 34% 2% 3	31½ 36 45½ 48 24½ 26¼ 9¾ 9% 33¾ 37¼ 24¾ 27¼ 90¼ 91 15½ 15¾ 28 30½ 2% 3½	35 38½ 44¾ 50 25¼ 27¾ 35¼ 38⅓ 26⅙ 27¾ 92¼ 94¾ 15⅙ 17½ 29⅓ 31⅙ 2¾ 35⅙ 159 159½	36½ 40% 46% 51½ 25% 27% 27% 39½ 26% 28% 93 94 16¼ 17 30% 34% 27% 34% 159½ 159½	36¾ 42¾ 51½ 59½ 24 27¾ 38¾ 42 27¾ 29¼ 15¾ 17 32 35¼ 2¾ 3¼ 165 175	41 45½ 55½ 58¼ 25¾ 29¾ 40¾ 43¼ 27¾ 31½ 91¾ 92 16¾ 92 16¾ 34 2¾ 3⅓ 165½ 170	42% 46% 60% 26 28% 41% 30% 37 91 92 17% 19 35% 38% 28% 167 172	42% 47% 55% 61 27 30¼ 49½ 32¾ 49½ 32¾ 80½ 18% 37% 40% 27% 33% 172 172	43\\\ 48\\\ 456\\\ 4\\\ 61\\\ 4\\\ 61\\\ 4\\\ 61\\\ 4\\\ 61\\\\ 4\\\ 61\\\ 4\\\ 61\\\ 4\\\ 61\\\ 4\\\ 61\\ 61\\\ 6	45% 52% 647% 25% 647% 27% 27% 39½ 94 94% 19¼ 24½ 43% 47 27% 3% 172 172
Goodyear Tire & Rubber Co5 When issued Gould-National Batteries Inc4 Grace (W R) & Co1 Graham-Paige Corp	65½ 68 77¾ 84½ 30 31¾ 41 43¾ 1 1% 4¾ 5¾ 33% 36¾ 28¼ 33 27¾ 29½ 78½ 83	60% 6714 69 78% 3034 32% 4114 42% 1 144 5 35% 37% 28% 30% 29% 33% 80% 82	60½ 67 71¾ 75¾ 30¾ 32½ 41½ 44¼ 1¼ 1½ 5⅓ 6⅓ 37 41¾ 29¾ 31% 32¾ 35¼ 79¼ 82	55¼ 60½ 70% 76% 31 33 42% 46% 1¼ 1½ 5¼ 5% 39¾ 43 30 35 33% 34% 79% 83	53 1/2 58 3/6 73 5/6 77 32 1/4 33 1/2 45 1/4 11/2 5 55/6 39 42 33 1/2 36 3/6 33 1/2 36 3/6 83 1/2 86	56½ 60% 76% 82% 32¼ 34¼ 45 46% 1¾ 1% 5% 76% 42 46 35¼ 37% 85% 85½	59½ 70½ 82½ 90¾ 34 35½ 46¼ 49¾ 1½ 1½ 6¼ 45¾ 41/64 13 38 48¾ 36 38¾ 85½ 88	63% 70½ 87½ 91½ 34½ 36 47 49¼ 13% 6% 445% 48% 48% 37 39½ 79 85	66½ 70% 88% 95 35% 37¼ 43½ 48% 156 256 6¼ 73¼ 47% 52½ 46% 55% 34 38 75½ 78	66¼ 73 93% 100% 35 38 44¼ 47% 2¼ 3 7 8% 48% 51¾ 53% 59¾ 36¼ 38¼ 75 78½	69½ 75½ 98¾ 114½ 38 39¼ 41½ 45% 2¼ 2¾ 256 6½ 8 46 52 56¾ 62¼ 36 46 76¼ 79	70 1/4 81 34 112 1/4 124 34 12 39 42 1/6 44 34 236 31/6 63 73/4 46 49 1/2 56 61 34 37 3/6 41 76 77 3/4
Great Northern Paper Co	5% 6¼ 23% 2434 48¼ 5234 30% 55% 2034 2236 131½ 140½ 70 75 22¼ 25¼ 15¾ 16	6% 6¼ 22% 23% 39 49% 32 37% 22 23% 137 139% 68 70 23¼ 25¼ 15% 16%	6 1/4 6 1/8 22 1/8 23 3/4 41 1/4 43 1/8 32 34 1/8 22 1/8 23 3/8 137 1/4 141 24 1/2 26 1/8	6¾ 7%  22 23% 37 41½ 31¼ 36% 22% 24% 135% 140 67 69½ 24½ 25%	6% 8% 23% 27 37% 42 34 38% 26% 141 25% 28%	7 8 241/6 261/2 421/6 471/4 341/4 371/4 245/4 265/2 138 1461/2 681/2 711/2 251/6 261/2	7% 8  25 28½ 46 50 36¼ 43¼ 24¾ 26¼ 137 141 72 72½ 25½ 27¾	7½ 8%  26 29½ 46½ 53 40¾ 44 25¼ 28¾ 138 141 72 72 26⅓ 33½	8½ 9½ 26½ 30% 52¼ 61 41 46 28 31¼ 136¾ 139 71 72 31¾ 34	81/6 91/a 271/2 31 491/2 551/2 451/4 491/4 271/8 301/4 1331/2 1377/6 331/4 351/2	8 1/6 9 3/6 25 1/4 29 1/2 47 3/4 54 1/2 46 3/6 51 3/6 26 5/8 133 1/2 136 3/4 75 77 34 1/2 38 5/6	836 978 46 59 2434 2758 4714 5312 4914 5538 2712 3178 13412 13612 77 77 3636 3938
44% preferred 100 Grumman Aircraft Eng Corp 1 Guantanamo Sugar Co 1 Guif Mobile & Ohio RR Co 25 B preferred 25 Guif Oil Corp 25 Guif States Utilities Co 34.20 dividend preferred 100 44.40 dividend preferred 100	14% 15½ 81 86 1734 2034 9 1034 1778 53¼ 59¼ 42 39½ 42 96 95 12 96 95½	15 1/4 15 3/4 85 86 1/2 177 19 1/4 8 81/2 14 3/6 17 1/2 53 60 3/4 101 109 1/2 40 1/4 43 3/4 90 1/2 94 97 97	15 15% 85 86 173 2014 8 836 1412 1516 52 5684 104 11196 40 4316 945 99 98 9816	15% 1678 85 87 19% 2146 778 812 14% 60 5614 6012 105% 115 4014 43% 9212 9412 97 99 104% 106%	153a 1634 8232 87 2034 233a 834 958 14 16 5912 6132 111 1173a 4214 4424 93 96 99 102	1578 16½ 80½ 85 21½ 2438 9¼ 10½ 1634 6038 61 113½ 1453 93 96 99 100½ 99 100 105½ 107½	15½ 16¼ 81½ 85¾ 21¾ 23¾ 83¼ 93¼ 15¾ 19¾ 60 66½ 108¾ 118¾ 45 47¼ 90 93 98 102½ 104 105½	15½ 16¼ 81¾ 84 21¼ 23% 9 9¾ 18% 20½ 64½ 68½ 109 114¾ 44¾ 47% 88% 86% 93 97%	1534 1638 8114 84 2034 2312 918 1014 20 25 6412 6712 10978 11778 4514 50 84 86 9112 9312 9934 10042	1534 1614 82 2014 2238 836 015 2156 2518 65 1414 12234 4712 5114 8414 86 90 94 101 103	16 % 17 % 82 85 ½ 20 34 23 7% 814 24 ½ 28 % 50 36 54 14 84 86 90 ½ 93 102 ½ 103	1756 1916 86 87 221/2 2634 71/2 81/8 231/2 261/2 74 7534 1171/2 129 521/4 5534 8434 87 911/2 941/2 102 103
H												
Halliburton Oil Well Cementing	38¼ 40½ 54¾ 58¾ 20 21¾ 14¾ 16¾ 70 73¼ 21¾ 24¾ 26¼ 31¼ 30 32¼ 129 131	39 <sup>3</sup> / <sub>4</sub> 40 <sup>3</sup> / <sub>4</sub> 53 <sup>3</sup> / <sub>4</sub> 58 20 <sup>1</sup> / <sub>4</sub> 21 14 <sup>1</sup> / <sub>4</sub> 15 71 <sup>1</sup> / <sub>5</sub> 72 <sup>3</sup> / <sub>4</sub> 21 <sup>3</sup> / <sub>4</sub> 24 <sup>7</sup> / <sub>6</sub> 28 <sup>3</sup> / <sub>4</sub> 32 <sup>1</sup> / <sub>6</sub> 30 <sup>3</sup> / <sub>6</sub> 31 <sup>3</sup> / <sub>6</sub> 132 135	38% 42½ 51 56% 20% 21 13% 14½ 72 72% 22 23½ 27% 30¼ 31% 33% 135 140	41½ 43½ 49½ 57½ 20% 22¼ 14 14¼ 73¼ 23% 22¼ 23% 27¾ 29¼ 31¾ 33¾ 132 137	43½ 44½ 53 57¼ 21¾ 23 13⅓ 15¾ 73 73¾ 21¾ 23¾ 21¾ 23¾ 28¼ 29¾ 32¼ 35¾ 135 137	43 <sup>1</sup> 4 46 <sup>1</sup> / <sub>2</sub> 55 <sup>3</sup> 8 62 <sup>3</sup> / <sub>4</sub> 21 23 <sup>1</sup> / <sub>6</sub> 13 <sup>3</sup> / <sub>4</sub> 14 <sup>3</sup> / <sub>4</sub> 72 73 <sup>1</sup> / <sub>2</sub> 23 25 28 <sup>1</sup> / <sub>8</sub> 29 <sup>7</sup> / <sub>6</sub> 35 <sup>1</sup> / <sub>8</sub> 87 <sup>1</sup> / <sub>2</sub>	45 471 <sub>2</sub> 61 663 <sub>6</sub> 211 <sub>2</sub> 223 <sub>4</sub> 133 <sub>4</sub> 15 721 <sub>2</sub> 75 231 <sub>4</sub> 313 <sub>6</sub> 30 323 <sub>4</sub> 35 371 <sub>2</sub> 135 135	45 4634 6434 68 22 2334 1412 16 75 82 2835 3034 31 3446 3576 3914	45 4714 63 <sup>3</sup> 2 66 <sup>1</sup> 2 22 <sup>4</sup> 8 26 <sup>3</sup> 4 15 <sup>3</sup> 8 19 <sup>3</sup> 2 78 <sup>1</sup> 2 83 29 33 <sup>3</sup> 4 33 39 39 42 <sup>1</sup> 4 135 138	43 94 46 14 62 12 66 34 24 78 26 18 5 23 5 8 83 94 28 12 32 14 36 3 39 14 42 38 128 133	43 45 ½ 60% 64 ½ 25 ½ 21 23 ½ 87 94 ½ 29 % 32% 38 ¼ 41 40 44% 123 130	44½ 45 60 63½ 25½ 28¼ 23 24½ 93³s 99 30½ 33⅓s 39 40¼ 40³s 47¼ 131 132

E TOOL STORY	January (	February	Murch	April	May	June	July	August	September	October Tow Wish	Nevember :	December
	low High	Low High	Low High	Low High	bow liigh	tow High	Low High	Low High	Low High	Low High	Low High	Low High
Harris-Intertype Corp Harsto Corp Harshaw Chemical Co Hart, Schaffner & Marx Hat Corp of America	50 30 35% -5 20½ 23¼ 10 22½ 24¼	23% 25% 31¼ 35¼ 20% 22½ 23% 24¼ 43% 43%	24 25% 32 35 21% 22¼ 23% 25%	23 24% 30% 34% 20¼ 21½ 24% 26½	23% 24½ 34 38 20¼ 21% 25% 26½	241/a 247/a 345/a 367/a 205/a 223/a 261/a 27	24¼ 28 35 40¼ 21¾ 25½ 26¼ 28%	26% 28% 39% 23¼ 26% 26% 30% 61%	27½ 31¾ 37¾ 40¼ 24¼ 27 29¼ 345% 7¼	28% 32% 38% 4134 25 27 31 345% 814 8	30 1/4 32 1/4 38 42 1/4 25 29 1/4 31 3/4 36 1/8 71/4 81/4	29% 32% 38 44½ 26% 29% 32% 35 734 9½
Hat Corp of America  41/2% preferred  Haveg Industries Inc  When issued  Hayes Industries	50 28¼ 31 -5 53 60	4% 4% 32 32 56% 66	416 419 3219 34 61 7034	4¼ 4% 31% 33 65½ 70 22 24½ 13 14½	4¼ 5¼ 32½ 24½ 33% 13% 13% 13%	5 5% 31¾ 33 29½ 34½ 12¾ 14¾	5 5½ 32% 23½ 29% 33¼ 12% 13%	314 614 3314 3412 2714 3114 1318 1376	576 712 33 3512 2756 3034 13 1534	6½ 8 35% 36 27% 34% 14% 15%	71/6 81/2 351/2 37 311/4 455/6 141/4 155/6	734 9½ 36 -38 40½ 51½ 14½ 15%
Hayes Industries Hecht Co 3%% preferred 1	_1 2214 25	14¼ 14¾ 24¾ 26 74 74	14 15 26 28 7394 7394	13 14 % 26 ½ 28 ½ 75 ¼	13% 13% 27% 30% 76% 76%	12¾ 14¾ 28¾ 30½ 76½ 76½	12% 13% 28% 30% 76½ 77½	131s 1376 3014 3134 7634 7654	13 15¼ 31¼ 34¾	14% 15% 34% 42 76% 87	14¼ 15% 38% 40½ 84 84	14% 15% 40 43% 80 83
Heinz (H J) Co 3.65% preferred 1 Heller (W E) & Co	100 87 89	46 <sup>3</sup> 4 49 88 89 <sup>1</sup> / <sub>2</sub> 19 <sup>3</sup> / <sub>4</sub> 20 <sup>7</sup> / <sub>8</sub>	47% 49% 86% 89 19% 20%	49% 52% 86½ 89 20¼ 23¼	52¼ 55 86½ 88 22½ 24½	54½ 57 87 88 22½ 24¼	51% 55% 94% 88 23 24	52½ 59¾ 85 87 23 26¼	54 % 57% 84 87 26 % 27%	55½ 58 83½ 84 26¼ 29¼	55½ 67 83½ 85½ 27% 30%	62 - 66 84 - 87 2944 3034
Heiner (W W) Co. 7% noncumulative preferred. Hereules Motors Corp. Hercules Power Co. 2 1/	25 32½ 25⅓ 25 32½ 34¾ 10⅓ 10⅓	25 25% 34% 36 10 11% 39 41%	25% 28% 34% 35% 10% 13% 40%	2074 2374 27 2914 35 3614 12% 1412 3812 4074	22	22 /2 24 /4 29 30 % 36 % 38 14 16 ½ 41 45 ¼	29 29% 37¼ 38 14½ 16½ 42 46¾	29 29% 37% 37% 15% 17% 45 47%	29½ 30% 36¾ 38 15¾ 17¼ 45% 49	29 14 30 14 36 34 37 14 16 16 18 14 45 56 55	30¼ 31¾ 37 37 17¼ 19¼ 40¼ 61	30½ 33½ 35¾ 37 16 18 55 60
5% preferred 1 Hershey Chocolate Corp. 44% preferred series A. Herts Co (The)	113 116½ -53¾ 59 -50 47½ 48¾	113 115½ 54¼ 573¼ 48½ 50	3078 4074 11214 114 5516 57 49 4916 3716 4258	113 118 56% 61 48% 48%	116 117½ 58% 61½ 36% 40¼	116 118 59 60½ 37% 39%	117 117½ 58¾ 60¼ 36½ 39¾	110 116 59% 64% 37 39%	110 11114 64 6715 36% 3914	10714 112 6316 6716 7894 4294	1071/4 111 641/2 701/2 4296 4794	110 113 65½ .69%
New							7					35% 36%
Hewitt-Robins Inc. Heyden Newport Chemical Corp.  3126 preferred series A.  426 convertible 2nd preferred.	100 60 66½ -6 74 80		26\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	28% 31 12½ 13% 69¼ 73 82½ 84	29% 30% 12 13% -72% -74% 33½ 86	29 30 1134 1338 70 7332 83 85	27½ 30¾ 11⅓ 13¾ 67 72 81¾ 83½	29½ 33½ 13¼ 14¾ 66 68½ 81¾ 85	32 34 13% 15% 66% 68 83 87	3034 3334 1238 1539 6539 68 8439 88	32½ 35½ 12½ 13¾ 66½ 67 86 88½	33 35 1234 1414 6312 6614 84 8614
Hilton Hotels Corp	9 % 9 % 50c 21 23 % -5 9 % 11 %	1758 1914 912 1018 2112 2358 958 1058	1834 2016 976 1056 2256 2536 976 1012	19½ 21 10 11½ 23¾ 26⅙ 9¾ 11¼	20% 23 11¼ 12½ 25¾ 27¾ 10¾ 10%	21¼ 22% 11% 12⅓ 27⅙ 29% 10¾ 11⅓	21% 23% 11% 12½ 26½ 29¼ 10% 11%	22% 24% 12 13% 26% 30% 11 12%	23% 29% 12% 13% 28% 30% 10% 11% 23%	25½ 28% 13½ 13¾ 27% 29% 11¼ 12¾	27% 32½ 13½ 14% 29% 40¼ 11¼ 12%	29 <sup>3</sup> 4 33 <sup>3</sup> 6 14 15 <sup>3</sup> 4 36 <sup>5</sup> 6 45 <sup>5</sup> 6 11 <sup>5</sup> 6 12 <sup>1</sup> 6
Holly Sugar Corp.  5% convertible preferred.  Homestake Mining Co	30 25½ 27 .50 32¾ 37%	19 1958 2634 2712 3658 4012 3934 45	1916 2014 2712 2814 375a 3876 42 471/2	1934 2076 27 2838 3858 4438 46 5138	26 22½ 289a 30 41¼ 45 48¼ 50½	19% 21¼ 27¾ 28¾ 40% 44 40¼ 54	20 % 21 ½ 29 ¼ 29 ¼ 39 ¼ 44 % 51 58	21 22 % 27 % 27 % 38 % 40 % 54 % 58 %	21% 23% 27% 23% 39 41% 57% 64	2184 2316 2712 2756 3712 3978 60 6414	21 22 27½ 28% 37% 43% 62¼ 66%	21 ½ 25 ¾ 28 ½ 29 39 ¾ 47 ¾ 62 ¾ 67 ½
Hooker Chemical Corp.		25 2734 89 <b>90</b>	25 <sup>3</sup> a 28 88 <sup>1</sup> 2 89	23½ 26% 87½ 90	25% 30¼ 91½ 91½	28 31 91 92	29½ 34¾ 39 92	33¼ 37¼n 88 90	33 <sup>3</sup> a 37 85 87	34 37% 86 87%	3634 3934 85 87	34% 39% 85% 87
Hotel Corp of America 5% convertible preferred Houdaille Industries Inc  \$2.25 convertible preferred	-1 3 4 -25 19 23 -3 17½ 19 -50 36¼ 37¾	314 376 21 23 1578 1778 3678 3818	31/8 33/8 19 201/4 165/8 181/2 371/4 381/8	3½ 3¾ 19½ 22½ 16¼ 17¾ 38½ 38¾	3% 4 22% 23 16% 16% 37% 38%	35/8 41/2 22 223/4 161/4 173/4 371/2 383/8	3 <sup>3</sup> / <sub>4</sub> 5 <sup>1</sup> / <sub>4</sub> 21 <sup>1</sup> / <sub>4</sub> 24 17 18 <sup>1</sup> / <sub>4</sub> 37 <sup>3</sup> / <sub>4</sub> 38 <sup>3</sup> / <sub>8</sub>	434 578 23 2514 17½ 18% 38 38½	536 636 2514 2814 1634 2136 3714 3834	5 <sup>3</sup> 4 7 27 28 18 <sup>3</sup> 4 20 37 38 <sup>3</sup> 4	61/6 81/2 271/2 291/4 183/4 233/4 381/2 391/4	7 8% 26% 28% 19% 23% 39% 41%
Household Finance Corp	27½ 297s 100 80 82¼ 100 86 87½	29 <sup>5</sup> 6 32 <sup>1</sup> / <sub>2</sub> 80 83 84 89	31 <sup>3</sup> 4 35 79 81 <sup>3</sup> / <sub>2</sub> 84 86	33½ 37 78 80 84½ 86	34 35 <sup>3</sup> 4 79 <sup>3</sup> 4 82 85 <sup>1</sup> / <sub>2</sub> 88	34% 36 81 84 88 90	35% 36% 81 82% 88¼ 88½	35 <sup>3</sup> 4 37 <sup>3</sup> 4 79 81 89 89	35% 39½ 75¼ 78 81¾ 87	357a 38 76 79 8134 85	33 38¾ 76 77 81¼ 83	34¼ 37% 74¼ 77 81 84
4.40% preferred	100 931/2 931/2	92 931/2	93 1/2 95	9334 951/2	97 .97	951/8 961/4	9438 961/2	96% 97%	93 14 96 34	94 96 6316 6816	94 95	9614 961/2
Houston Light & Power Co	-1 - 8½ - 9½ -1 - 5¾ 7¾ 100 1⅓ 1¾	54 57¼ 8% 10 65% 8¼ 15% 13¼	54 56 4 10 -10 4 7 9 1 8 1 3 8 1 5 8	54 56!4 8!2 10 7% 8!4 1 1!2	53½ 57% 9% 10 8½ 8¾ 1¼ 1%	52½ 56 9¼ 10¼ 8 8½ 1¼ 1¾	55% 60 9 934 7% 914 138 158	57% 60 9 10½ 9% 10% 1½ 2%	58½ 63½ 9¾ 10% 10 11% 1% 3½	63½ 68½ 9% 11% 10¾ 13% 2 2½ 5½ 6%	10 11½ 13 158 2½ 5 6¼	11 15% 11% 14% 13% 2% 3% 5%
5% non-cum preferred.  Hudson Bay Mining & Smelt Co Ltd  Hunt Foods & Ind Inc common	43 46 5 135a 147a 100 721a 77	41½ 5½ 41¾ 46 13¾ 16 77 78½	4 1/4 5 41 1/4 47 15 1/6 16 74 5/8 77	3% 4½ 40% 44 15½ 16 7% 84	4 4½ 41 44¼ 15¾ 17¾ 79¼ 83	4 5¾ 44¼ 49% 16½ 18¾ 82¼ 85	4 5 47% 52% 17¼ 18% 83 85½	4¼ 6¾ 50% 53½ 16¾ 17½ 85 87	5¼ 7% 51½ 54¼ 16¼ 18¼ 83 85¾ 4% 5¼	53¼ 63 17¾ 18¾ 82¼ 84½ 456 6¾	58 61% 1734 20% 83% 85 5% 6	57 60½ 17¼ 18½ 85 87¼ 6¼ 6%
Hupp Corp	50 201/2 23	256 3¼ 22¼ 24¼ 14½ 16½	2½ 3½ 22 23¾ 14¾ 16¾	256 334 2184 27 1434 1614	3 1/8 4 25 5/6 29 3/8 14 3/8 15 1/2	3½ 4¾ 28¼ 30¼ 15¼ 16½	28% 33 <sup>3</sup> 4 15 <sup>7</sup> 8 19	4% 5 29% 32% 17½ 19	29% 32% 18 22	30% 34% 21% 23%	32 <sup>1</sup> / <sub>4</sub> 34 <sup>1</sup> / <sub>4</sub> 21 23 <sup>3</sup> / <sub>4</sub>	34 38 ¼ 20% 24 %
		10 10 10 10 10 10 10 10 10 10 10 10 10 1									rongan, sp	
Idaho Power Co	-1 5178 63 2818 3134	35 ¼ 37 ½ 59 ¾ 63 30 ⅓ 33 ⅙	36 37 <sup>8</sup> 4 607 <sub>8</sub> 65 <sup>8</sup> 4 29 <sup>8</sup> 4 327 <sub>8</sub>	36% 40% 62 64% 28% 32	40 42 1/4 61% 66 1/8 31% 34 1/4	39% 42½ 65¾ 68% 32% 35¼	39¼ 42¾ 65¾ 70¾ 33¾ 38¾	4214 4478 6834 7332 3734 4032	43% 47% 73 78¼ 39% 44%	43¼ 47¼ 75¾ 85½ 42¾ 47½ 31¼ 34¾	4238 4514 8314 9014 4338 4914 3314 3714	42% 50 89% 96 46% 50% 35% 38%
Illinois Power Co 4.08% preferred 4.26% preferred 4.70% preferred	-15 29¼ 32¾ -50 45½ 47½ -50	30½ 32½ 44½ 46½	30 32 ¼ 44 45 ½ 45 45 ½ 50 ½ 50 ½	31%4. 34 45 45½ 45½ 46¼ 50 51½	32 34 45 46 46¼ 46¼ 51 52	32 33% 45½ 45½ 47 48 50¾ 52¼ 49½ 51	33 35 ½ 42 ½ 44 ¾ 46 46 ½ 49 ½ 50 ½	31½ 35½ 43 43 46 46 48½ 49½	31¼ 32% 43 44½ 43 44½ 49 49½ 47 48	31¼ 34¾ 40½ 42½ 42 43 48½ 50	41 42 43 43½ 48 48½	41½ 43½ 42½ 43½ 47 48¾ 45¼ 46
4.42% preferred 4.20% preferred	_50	4712 4812 4712 4712		491/2 50	50 51	49½ 51 47 47	51 51 44% 46	51 51	47 48			421/6 44
Indianapolis Power & Light Co Industria Elec de Mexico S A100 po Industrial Rayon Corp Ingersoll-Rand Co	esos 63a 71a 1 14 17½	31 1/6 32 1/2 7 7 1/2 14 3/6 17 1/4 66 1/2 71	31¾ 33 7 7½ 14¾ 19 67 78½	32 1/8 32 7/8 63/4 71/4 161/4 187/8 721/2 797/8	31½ 33¾ 6¾ 7¾ 16¾ 19 74 79½	31% 33 \\ 67\6 7 \\ 171\8 191\4 \\ 72\8 75\4	32% 36 7 7% 16% 20% 73½ 81	33 \\ 73\text{4} \ 36 \\ 73\text{6} \ 73\text{4} \\ 19 \\ 77 \\ 21 \\ 77 \\ 2 \\ 82 \\ 2	33½ 34½ 7¾ 75% 19¼ 24¼ 82¼ 88¾	33½ 35% 75% 83% 21½ 23½ 88½ 94¼	33% 38½ 7¾ 9% 21% 24¾ 91 101	35 3734 834 838 2014 231/2 93 9834
6% preferred Inland Steel Co Inspiration Consol Copper Co Insuranshares Certificates Inc	-100 • 73 81½ -20 25% 30¾	158 158 79 86 28 32 <sup>1</sup> / <sub>4</sub> 23 <sup>3</sup> / <sub>4</sub> 24 <sup>1</sup> / <sub>4</sub>	81 ½ 85¾ 27½ 36¾ 24 24½	157½ 158 78 84½ 30¼ 33⅓ 24 24	156 158 8434 8978 2938 3338 24 24	159 160½ 86¼ 89¾ 30% 34¾ 23¾ 24¼	162 162	160 160 98½ 104¾ 31¾ 36¾ 24 25¼	101 1/8 119 32 1/2 36 1/8 25 26 1/8	113 122 35 43 26 29	158 160 119 135½ 36½ 41¾ 28 29½	158 158 128 146 3514 3814 29 2914
Interchemical Corp	5 371/2 391/4	38 38¾ 87½ 89½	38¼ 41 88 89½	37 .40 88 90	37 39¾ 89½ 92¼	30 43 <sup>1</sup> / <sub>4</sub> 91 92		45 <sup>3</sup> 4 51 88 91	49 54½ 86¾ 90	50¾ 55½ 86 88	53¾ 58½ 87 92	56 61 14 89 1/4 94
Interiake Iron Corp	5 300 324	20¼ 22¾ 321 340%	20% 22 328% 351%	18% 20% 332 354	18% 20% 347 357	18¼ 20¼ 348 374	351 1/2 3703/4	20½ 22¾ 366 377⅓ 26 3834	21¼ 26⅓ 371 410¾	22½ 26 404 454½	23 25% 428 448	23½ 25¾ 448 452 39¼ 44
International Harvester Co	27 31 100 151 159½ -5 26¾ 29¼ 100 68½ 73	29¾ 31¾ 149 157 27¼ 29¾ 73¼ 73¼	28 ½ 31 % 148 ½ 153 27 % 30 ¼ 71 ¾ 74	28 1/4 158 1/2 151 1/4 158 1/2 27 28 3/4 74 74	31% 35% 154½ 159¼ 26% 28¾ 74¾ 77	33% 36 158½ 166 26½ 29% 75½ 78½	77 771/2	36 38% 147% 151½ 28% 32 76 77% 17% 21%	36½ 38% 145 148½ 31 33¾ 76½ 76½ 17¾ 21½	37 1/8 39 1/2 143 149 28 1/8 31 1/8 70 1/2 76 18 1/8 20 1/8	38% 42% 145 146% 28% 30% 70% 73 17% 18%	145 14 147 34 27 36 29 38 71 1/2 72 17 20 1/2
g International Mining Corp g Name changed from Nat Depar		р.				16 18%	17% 19	1734 2134	17% 21%	18 % 20%	10%	2012
International Nickel Co of Can Ltd International Packers Limited International Paper Co	7.50 85% 92¼	72½ 76% 8½ 10 85¼ 94	723/4 793/4 85/6 10 86/4 921/2	71% 75¼ 9% 11% 87¼ 93%	72 <sup>1</sup> / <sub>4</sub> 76 <sup>3</sup> / <sub>4</sub> 9 10 <sup>3</sup> / <sub>8</sub> 93 <sup>1</sup> / <sub>4</sub> 97 <sup>1</sup> / <sub>4</sub>	76½ 82¾ 8¾ 97% 96¼ 99%	91/2 101/2	81½ 85¼ 9% 10% 103 108%	82 1/8 87 7/8 95/8 10 3/4 107 3/4 115 1/2	84½ 95 9¼ 10% 111½ 117%	83% 91¼ 9% 10¼ 110% 122½	85% 89% '9% 13% 112% 117%
When issued \$4 preferred Internat'l Rys of Central America 5% preferred	92 96 736 12 100 57½ 68½	94½ 95 10 13% 65 71 103 112	93¼ 93½ 9% 12 61 66 108½ 114	92½ 94 10 11% 59¾ 67½ 109¾ 112	93 95¼ 10¼ 12 62½ 66 110 112½	94½ 96 9½ 10% 60¾ 66 110½ 120	92½ 96½ 9% 12% 60½ 66½ 118 123	90¾ 92½ 10¼ 11½ 60½ 63 124½ 134	88 91 10 1/8 11 3/6 60 5/6 62 3/6 124 1/2 135	88 94 9 <sup>3</sup> / <sub>4</sub> 11 58 <sup>5</sup> / <sub>8</sub> 62 130 135 <sup>1</sup> / <sub>2</sub>	89½ 93 10¼ 16½ 61 69½ 125 134	90 92 12¼ 16³5 5956 67 126 136
International Salt Co International Shoe Co Internat'l Silver Co (The) (Conn) 7% preferred		343/8 361/2	35% 37½ 25% 30½ 29½ 31%	36 38¼ 28¾ 30 30 30¼	38¼ 40 28¾ 33¾	33 ¼ 39 ¾ 31 % 37 ¼ 31 32	321/2 337/8	33½ 34¾ 35 39¾ 31 32		33½ 34% 36½ 41½ 32¼ 35½	33% 34% 37½ 40¾	33¼ 34¼ 36 39 34½ 35½
International Tel & Tel	291/4 313/6	29% 31%	291/4 331/4	31% 34%	1 31/64			38% 441/4	42% 48%	46% 54%	51% 571/2	531/8 653/8
Rights Internat'l Utilities Corp Interstate Department Stores Inc Interstate Power Co Iowa Electric Power & Light	21 /8 26 22 1/2 24 3.50 13 /8 14 /4	24 26% 23¼ 24⅓ 13¾ 14%	23¾ 27% 24¼ 27% 14¼ 15	23½ 27% 24% 26 14% 15¾	26% 28% 22 26 15% 17%	27 29 22% 24% 16% 17%	16% 171/4	26¾ 29¼ 25¾ 30⅓ 16¾ 17¼ 33¼ 35¾	321/2 33%	29½ 33¼ 27¾ 30½ 16¼ 18 31¾ 32%	29 31¼ 28⅓ 30⅓ 17⅓ 18⅓ 31⅙ 34¼	29 30% 29% 33% 17% 19 33 34%
Iowa Fiettric Fower & Light  Iowa-Illinois Gas & Elec Co  Iowa Power & Light Co  Island Creek Coal Co  86 preferred	1 31 34 10 27¼ 28½ _50c 29¼ 31¼	31% 34¼ 122% 123%	32% 34% 28 29 30½ 37% 120 122	34¼ 35% 28½ 31 30¾ 34¾ 118½ 124¾	30% 32¾ 32% 36% 122½	36 39	32% 34¾ 35¾ 42½ 123 126¾	34 <sup>1</sup> / <sub>4</sub> 36 <sup>1</sup> / <sub>2</sub> 31 <sup>1</sup> / <sub>4</sub> 33 <sup>3</sup> / <sub>6</sub> 40 44 <sup>1</sup> / <sub>4</sub> 122 123	34 35 % 31 % 33 39 ½ 43 ½ 122 124	32% 33½ 35% 37 39¾ 43 118 120	32% 34¼ 35% 36½ 41½ 44% 120 122	36¼ 37⅓ 32 34¾ 38 42⅓ 118½ 121 35¼ 38¾
I-T-E Circuit Breaker Co	5 39% 41%		361/8 381/2	36% 38	37 381/4			39¾ 42	401/2 411/2	401/2 423/2	34% 41%	351/4 383/4

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NOTE: All stock footnotes shown on page 17.

#### NEW YORK STOCK EXCHANGE STOCK RECORD — 1958 December Low High Low High April Low High STOCKS Par 71/8 215/8 309/8 43/4 171/4 191/4 3014 88 8234 871/2 85½ 80 87 84 85 85 1/2 83½ 90 82½ 88 93 85 88 711/4 871/2 84 76% 87 86 77 88 86 66 86 83 56 87% 84 591/4 87 82 57 88 85 62½ 88 84 64 Johns-Manville Corp. Jehnson & Johnson When issued Jones & Laugnlin Steel Corp. 5% preferred series A Joy Mfg Co. 391/8 37 86 1216 37¼ 85 42 921/4 1473<sub>2</sub> 561<sub>2</sub> 61 983<sub>4</sub> 38 931/4 40 5034 9754 46 541/4 993/4 473/8 523/4 97 47 391/4 971/4 387/8 55% 99 50% 371/4 93 421/6 381/4 98 381/9 411/2 901/4 423/6 49 99 46½ 4034 941/4 441/4 \_\_\_10 41 97½ 43 K 38¼ 88 41¼ 99¾ 45 78 85 90¼ 89 47% 94% 42% 108 49 80 86% 94 3978 9034 4238 10419 4734 78 88 9419 87 88 25% 77% 44 91% 44% 85 90 102 94 24% 27 74½ 80 44 45 90 93¾ 43¼ 45¾ 85 85 90½ 92½ 102½ 103 25% 27% 79 81% 42 45 94% 97½ 44 46% 85 90¼ 92½ 101½ 102½ 33<sup>1</sup>/<sub>4</sub> 80<sup>1</sup>/<sub>4</sub> 42<sup>1</sup>/<sub>3</sub> 97 46 84 91 101<sup>1</sup>/<sub>2</sub> 32 79 41% 97 43% 38% 79% 41% 93% 42 79 86% 90% 90 39 % 87 % 42 % 99 % 45 % 80 % 88 93 90 91 38% 93 42 103 47 79 85% 94 89 Kaiser Aluminum & Chem Corp. 41/6 convertible preferred. 41/4 preferred. 41/6 convertible preferred. Kanass City Power & Light Co of the convertible preferred. 4.50 preferred. 4.20% preferred. 4.35% preferred. 45 95 ½ 44 ½ 11258 50 ¼ 78 89 ½ 96 87 ½ 90 25 1/4 89 43 3/4 96 3/4 41 9/8 85 91 3/4 101 1/2 93 94 1/2 23% 78% 43% 91% 39% 85 25½ 87½ 45 95¾ 42 86 25 78½ 41 94 42¾ 82½ 90 97 95 96 29 1/4 82 1/4 45 1/4 93 1/2 90 1/2 99 91 1/2 95 1/2 23% 73% 43 86% 42% 85 90 99 93% 23 1/4 78 43 1/2 90 3/4 41 1/2 83 1/2 88 3/2 96 1/2 90 94 23 1/4 68 3/4 39 3/4 83 38 1/4 90 98 90 93 1/4 -100 n\_-0 -100 -100 -100 -100 48<sup>3</sup>/<sub>4</sub> 79 88 95 89 90<sup>3</sup>/<sub>4</sub> 89 99 9834 94 95 101 94 96 96 99 95 9334 981/2 75 1/8 38 1/2 37 1/2 27 1/4 15 3/8 39 100 55 1/4 26 3/8 63% 36% 34 26% 13% 26% 81% 41 43% 24 71 38 3716 2834 1419 3012 8936 46 4831 2538 69 3434 3436 2636 1434 38 9132 5234 4632 2434 73% 38 35½ 27% 17% 40 97% 59% 59% 26½ 73 34½ 35 26¼ 16 39 95½ 56¼ 49 25½ 79% 36% 26% 16% 40 95% 58 52 26% 881/4 38 401/4 283/4 183/6 42 1021/2 663/4 601/4 291/8 78 76 1/2 37 7/8 37 3/4 29 1/8 14 1/2 35 3/4 95 7/8 53 3/8 51 3/4 26 7/8 Kensas City Southern Ry Co. 4% non-cum preferred.... Kensas Gas & Electric Co... 50% 34 29% 25 10% 30% 75% 33% 38% 20% 6134 37 3176 271/2 121/2 323/4 91 381/2 425/6 235/6 56% 35% 26 11% 25% 81% 38 39% 22% 61½ 36 34 27½ 14¼ 28¼ 86½ 42¼ 45% 24¾ 66 37¾ 35½ 28¼ 12½ 29 87¼ 43¼ 46¾ 24¾ 69½ 38 36% 29 13½ 32% 94 50% 50% 26% 67½ 37 36¼ 26½ 12¾ 31¾ 86 47½ 46¾ 25¾ 72½ 37½ 35. 26¼ 14¼ 35¼ 90% 51¾ 46½ 25¾ 56¾ 36 31 26¼ 15¼ 33½ 82¼ 38 44½ 24 55 35 1/4 26 1/4 26 1/4 30 1/4 78 36 1/6 38 22 1/2 60 36½ 32 27¾ 16 33⅓ 84¾ 39¼ 44¾ 24 58½ 35½ 30% 27 11¾ 27½ 78½ 36½ 38½ 22¾ 36% 36% 27% 18% 43% 105% 60% 58% 28% 38 42<sup>1</sup>/<sub>2</sub> 29<sup>1</sup>/<sub>4</sub> 18<sup>1</sup>/<sub>8</sub> 42<sup>7</sup>/<sub>8</sub> 98<sup>7</sup>/<sub>8</sub> 65<sup>7</sup>/<sub>8</sub> 56<sup>1</sup>/<sub>8</sub> 27<sup>3</sup>/<sub>4</sub> 37 3734 2714 1634 3812 9219 5934 5138 2614 \_\_50 37 60 24 1/a 25 5/a 40 1/a 78 1/2 14 1/4 28 3/4 34 7/8 18 5/a 30% 51 21 38 57½ 24¼ 28% 41 86 14% 29¾ 36% 18¾ 78¼ 35 ½ 56% 23% 25% 38½ 80¼ 13% 28 34 18% 76 3734 6234 2434 2834 4234 85 1438 29 3734 2034 40 ½ 59 34 24 34 26 ½ 40 58 82 34 14 ¼ 28 78 35 58 19 ⅓ 441/2 671/2 263/4 271/2 441/4 843/4 173/4 321/6 421/2 20 96 43 ½ 62 ½ 25 % 40 % 82 14 30 % 88 ¼ 88 ¼ 46¼ 70¾ 27¾ 29¾ 45¾ 84 16¼ 32¼ 43¼ 19½ 93 42 61 25 % 26 % 41 % 80 14 % 30 % 38 % 2 18 % 90 % 31 4334 7036 2814 2834 4434 8134 1614 3216 4138 22 9934 313/4 511/2 26 293/4 413/4 83 123/4 263/6 305/6 205/6 33 54 25½ 29% 43 82¾ 11% 27 33½ 20½ 74¾ 32 5134 1932 28 36 79 956 2632 3134 1934 7036 32% 55½ 20% 29 37% 82½ 10% 28% 33½ 20% 74% 32 54½ 19% 25% 36 82 9¾ 27% 32½ 33¼ 56½ 21¾ 29¼ 39¼ 86 13¼ 29 33¾ 20 75¼ 325/8 56 211/2 261/4 361/4 841/2 115/8 281/6 32 173/4 75 33½ 57% 25½ 27% 39½ 85½ 15% 29½ 33% 18% 32½ 55¼ 22¼ 27¼ 36½ 84½ 14 28⅓ 33¾ 17¾ 30 461/4 251/2 251/4 341/2 783/4 10 221/2 241/4 183/4 61 31½ 49½ 28 29¼ 40 83¼ 12¼ 26 29½ 19¾ 65½ 30 4836 2234 2634 39 8142 11 2514 28 1956 6314 67% 25% 26% 44½ 82 15% 29½ 37¼ 20 94½ 27% 38% 80 10¼ 25% 29 19¼ 65½ 16% · 17% 25% 26 191/a 281/4 133/4 221/4 15 1/a 24 1/a 163/8 251/4 331/2 3% 17½ 18% 27 87 10 31¼ 3% 18% 19% 27 85 10% 3½ 17 18% 25½ 83 10% 28 3% 17½ 19 25 85½ 10% 31½ 41/8 201/2 211/4 291/2 87 115/8 363/8 37/8 197/8 211/8 29 85 101/4 351/2 3% 22% 23 36% 86 11 39% 3 1/2 21 1/2 22 5/8 34 1/8 87 10 34 1/2 41/8 193/4 213/8 283/4 86 12 341/2 181/4 185/8 261/2 86 11 25½ 25¾ 46¾ 86 10¾ 37 18% 19% 28 85½ 11% 33¼ 17¼ 18½ 25% 86½ 9% 32½ 18 191/2 271/2 89 107/8 35% 18% 19% 28% 88% 11 32% 19% 19% 29% 86 12% 33% 18¼ 19¼ 26‰ 86 11⅓ 32¼ 2014 22 2914 21 1/4 21 1/4 29 1/8 86 10 1/8 36 7/8 22 1/8 23 1/4 36 3/4 86 10 33 1/2 18 1/4 20 28 1/4 84 1/2 11 1/4 32 3/4 223/a 301/4 86 111/2 363/4 22½ 22¾ 31¾ 22½ 24 37 87 11½ 38½ ----3 ----100 10¼ 35¼ 11 1/4 37 Lehigh Valley Industries \$3 non-cum 1st preferred 50c non-cum 2nd preferred Lehigh Valley RR Co Lehman Corp (The) When issued Lehn & Fink Products Corp Lerner Stores Corp Libbey-Owens-Ford Glass Co 11/6 161/4 45/6 51/6 1½ 17¾ 5½ 6% 11/8 161/4 45/8 51/2 1% 17 4% 6% 1 1/8 15 1/2 4 1/6 5 1/8 1 1/8 15 3 % 6 1/4 134 1714 558 978 134 174 5% 716 254 264 264 164 754 13% 1534 41% 61% 1 1/a 15 1/2 11/4 15% 41/2 61/2 11/4 151/2 41/4 81/8 11/8 14 3% 7 1¾ 14¾ 4¼ 8½ 11/4 145/8 41/4 8 11/4 145/8 43/4 8 134 1736 614 1036 1 16 4<sup>1</sup>/<sub>4</sub> 5<sup>1</sup>/<sub>4</sub> 23<sup>1</sup>/<sub>2</sub> 24<sup>1</sup>/<sub>4</sub> 25 14<sup>1</sup>/<sub>8</sub> 70<sup>1</sup>/<sub>2</sub> 25 3/4 27 16 5/6 74 1/4 23 26 161/8 721/8 24% 34¼ 17½ 82¼ 32 39<sup>1</sup>/<sub>2</sub> 19<sup>1</sup>/<sub>6</sub> 100 2234 2434 1576 72 223/4 261/6 16 24 1/2 28 3/4 16 3/4 25 1/2 34 1/6 17 1/8 83 1/2 25 30 171/4 801/4 2934 3514 1812 241/2 313/6 173/6 771/4 23¾ 31 16¾ 74¼ 24½ 29¾ 17¼ 80 271/6 311/4 171/2 281/2 331/2 191/4 92 27½ 31½ 17½ 87½ 28% 33% 17% 30% 40% 1812 31% 40 19% 27% 301/4 347/8 193/8 32 1/8 177/8 89 1/2 Libby McNell & Libby Liggett & Myers Tobacco Co. 7% preferred Lily Tulip Cup Corp. Link Belt Co. Lionel Corp (The). List Industries Corp. Litton Industries Inc. Lockheed Aircraft Corp. Lockheed Aircraft Corp. 7% 65% 143 60½ 46% 10 7% 39% 38% 13% 8 67 146 63 53 11 67% 37¼ 38¾ 13¾ 91/8 693/8 153 751/4 513/8 67/8 47 463/4 153/4 10 1/8 70 1/8 148 72 51 1/4 12 1/2 6 3/4 46 3/8 47 1/2 16 3/8 11½ 72½ 153 82¾ 56¾ 13¾ 7½ 52¼ 52¼ 52¾ 17½ 10 % 11 % 73 % 145 ½ 149 ¼ 88 84 ¼ 58 ½ 12 % 13 ½ 63 ¼ 81 ¼ 49 55 3 % 51 ¼ 54 % 163 ¼ 19 % 1258 8214 14812 9634 6134 1478 1018 9034 6916 1134 7536 14034 8736 5836 1256 834 5936 4934 111/4 78 1411/2 863/4 581/4 121/2 87/8 75 543/4 193/8 111/4 791/6 1443/4 88 58 111/6 9 79 60 83% 11 71 7/8 158 3/4 79 1/4 55 1/2 12 7/6 7 3/4 53 48 17 3/4 72 1/6 150 1/2 69 1/2 57 11 3/6 75/8 41 43 1/8 15 1/2 701/2 1473/4 73 551/2 121/4 73/6 437/6 427/6 141/4 69 1/4 147 1/2 65 1/2 53 1/4 11 3/6 6 3/4 38 3/6 41 5/6 12 7/8 73% 153¼ 75¾ 56¾ 12% 7¼ 41 45% 15% 9 69% 153½ 73½ 53 12% 6% 40% 44% 14% 68 145 67 53 11 6% 36% 39 1/8 13 1/6 73½ 157 78¾ 56¾ 13 7 47% 48½ 17½ 12¼ 80 146 93 62¾ 14 10⅙ 83 62¾ 22¼ 72 ½ 152 71 140 85 1/2 55 1/2 12 3/4 7 1/2 54 1/6 79 143 94½ 63½ 15 9¼ 80¾ 56¼ 23½ 7534 146½ 89½ 61 14½ 9¼ 62% 54¾ 22% 152 63½ 55 11½ 7¾ 43¾ 42¾ 15¼ 221/2 201/8 28 1/4 34 31 35 1/2 107 1/4 112 22 1/2 23 30¾ 33¼ 35% 38% 112% 114¾ 22% 24% 10 30% 32% 37 39% 31% 34½ 37% 39% 31% 36% 39% 41% 34% 36% 3638 33% 36% 351/2 381/8 3534 3836 331/2 114 116% 24% 26 102 102% 117¾ 124½ 25% 26% 39 41¼ 118½ 121½ 26¼ 27¾ 87 87¾ 113 116 38 115 25% 113¼ 117¾ 25¾ 26½ 285% 30 = = 991/2 1011/2 104 104 103½ 103½ 103½ 86½ 100½ 102½ 86 88½ 87½ 89½ 111¾ 116 99% 102 85 85 89 89 108½ 114½ 101 1/2 104 1001/4 1001/4 82 831/2 881/4 89 124 1281/2 99 101 1001/2 102 90 92 101% 105 92 % 105 ¼ 91 1/2 105 88½ 89½ 100¾ 106¼ 107 89 901/2 1111/2 1133/4 88 1251/4 104% 102 112 Lorillard (P) Jo----10 32% 3814 501/4 551/4 75% 84% 118 2% 138 143 40% 44 76% 78% 15% 67% 74% 21% 23% 36% 43% 421/6 541/6 52% 59% Rights 7% preferred Louisville Cas & Electric Co (Ky) Louisville & Nashville RR Co Lowenstein (M) & Sons Inc 1 Lukens Steel Co Lykes Bros Steamship Co 10 53% 70 63% 72 66 65% 70% 711/2 6914 128 140 29 311/4 57 61 1/4 11 1/4 13 1/4 60 67 1/2 136 1/2 27 3/4 56 1/8 12 3/6 63 1/4 135 % 137 % 29 % 32 55 % 60 % 12 13 66 76 137 1/4 139 1/2 29 1/2 31 1/6 58 1/5 62 3/4 12 5/6 14 3/4 61 1/6 70 3/4 139 143 31% 34% 60% 65% 12% 15 66% 72% 19% 22% 143 37 75½ 15¼ 79% 22% 140 301/2 62 % 13 % 67 % 138 34<sup>1</sup>/<sub>4</sub> 62<sup>7</sup>/<sub>8</sub> 13<sup>1</sup>/<sub>8</sub> 67<sup>3</sup>/<sub>4</sub> 19<sup>3</sup>/<sub>4</sub> 139 36 75 15% 78% 23% 138 30% 59% 13% 65% 132 33 73½ 14½ 66¾ 21¾ 1401/2 325/8 62 143/4 703/8 136 37. 81 16% 75% 23% 135½ 32¾ 69¼ 13½ 72% 20% 130 ½ 138 32 33¾ 69 ½ 74½ 13 ½ 17 74 ½ 81 % 22 24 ½ M MacAndrews & Forbes Co... 6% preferred Mack Truck Inc... Macy (R H) Co Inc... 44% preferred series A... Madison Fund Inc... Madison Square Garden Cor. 26 123 23 30% 83 ----10 23 30½ ----100 116 123½ ----5 21½ 26¼ -----\* 28 30¼ ----100 78½ 84¼ 29½ 123 26¾ 31% 84¾ 26 26% 122 125 23% 25% 30 32% 82 85% 261/4 27 25% 27 122 122 23% 25% 32 34% 84% 88 25 1/8 27 1/4 120 123 3/4 23 3/6 27 3/6 32 35 86 88 26¼ 27% 120 125 26¾ 30% 32⅓ 34¼ 85 87¼ 27¼ 31¾ 119½ 123 29½ 31¾ 33¼ 37¾ 84¼ 85 28¼ 30 28 29¾ 119½ 119½ 119½ 129½ 28⅓ 31 29 36¼ 36⅓ 38⅓ 36⅓ 39 82¼ 84¼ 83 84 16⅓ 17¾ 12% 11⅓ 12% 11⅓ 12% 28 1/4 29 1/8 118 1/2 123 29 31 35 1/4 38 82 84 1/2 2914 31% 23¼ 25% 30% 30% 83 84¾ 31% 351% 36 3938 83½ 85½ 17% 18⅓ 11¼ 17¼ 8 8% 81/4 81/2 9 8% 10% Madison Square Garden Corp. 81/2 10% 11% 11 12% 9% 11% īī 1136 11 111/4

STOCKS	January Low High	Pebruary Ma Low High Low	reh April High Lew Hig	h Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Magic Chef-Food Giant Markets 1 4% convertible preferred 10 Magma Copper Co 10 Magnavox Co (The) 1 4% convertible preferred 50 Mahoning Coal RR Co 50 Mallory (P R) & Co 1 Manati Sugar Co 1 Mandel Bros Inc 1 Manhattan Shirt Co 5	1234 1736 734 912 3136 3734 3014 3334 395 400 2634 2834 556 745 6 735	33 3836 3476 34 3634 3438 390 420 400 26 2836 2534 634 714 634 642 714 534 1236 1436 13	49% 41 43° 37 35¼ 36° 55 57′ 400 292½ 425 273¼ 23% 26° 7¼ 6 7 6½ 5½ 6° 13½ 13 14°	4 35½ 37 2 55 56% 400 425 23% 26% 684 7½ 684 7½	40 ¼ 46 ¾ 35 ½ 38 ½ 58 ¾ 420 450 25 26 ¾ 67 12 ¼ 14	39% 47% 59 475 59 425 425 25% 30% 6% 5½ 6% 12% 13%	43% 49¼ 35% 38% 54½ 57½ 415 420 28 30% 6% 6% 13% 17	45¼ 54¼ 36¾ 42¼ 56½ 61 400 425 30¼ 34¼ 67a 8¾ 6 6¾ 14 15¾	517/6 711/6 363/6 401/2 531/2 58 4241/2 430 30 333/4 61/6 7 143/4 153/4	61 1/4 693/h 39 1/2 58 1/4 58 82 1/2 430 450 29 1/6 34 3/6 61/2 67/8 63/8 80/8 14 1/2 157/8	55% 64% 60% 70% 56% 65% 65% 65% 65% 65% 14% 16%
Manning Maxwell & Moore	594 694 1674 1776 1814 1914 5115 5314 2556 3094 2976 3434 1814 8614 3214 3676	24 27% 23% 6% 7¼ 6% 13¼ 19% 15½ 15½ 53¼ 52% 33 31% 35% 31½ 31% 31% 37% 31% 27½ 29% 28¾	7½ 6¼ 7 17½ 16½ 20 20¾ 19½ 20 56 54½ 56 34¼ 33⅓ 35 34¼ 33⅓ 36 86 84 83 35 31½ 33	614 718 1812 2012 2014 2134 5434 5812 3334 3614 3514 3838 8715 90 98 3134 3378	22½ 24¾ 6½ 6½ 19½ 23¼ 21 22½ 57½ 61¼ 36 38% 33¾ 35¾ 88 93 33 34% 29¼ 32⅓	22½ 26% 6½ 6% 21½ 22¼ 58 60½ 39 45¼ 35 38¾ 91 93½ 32¾ 35¼ 31½ 34¼	25 2634 636 658 2134 2236 5834 60 4334 5044 3778 3936 89 9236 3234 3536 3334 3746	25% 26% 6% 6% 6% 23% 58% 63% 63% 44% 50% 33% 41% 30 33% 36% 38%	25 28 ½ 6 ½ 6 ½ 24 ¾ 62 ¾ 67 48 ½ 52 40 ¾ 43 ¾ 65 43 36 ⅓ 35 ¼ 33 ⅓ 36 ⅙ 35 ¼	25 2734 616 676 227a 2412 64 6412 51 5514 3934 455a 88 9316 3056 3616 3312 4138	2514 27 6 636 22 2344 6314 64 5446 5914 4014 4236 9017 93 3014 3314 3614 4236
May Department Stores Co	79 81½ 78½ 80½ 78½ 23¼ 24% 50½ 51% 13 14½	36 39 % 36 % 80 82 80 82 79 70 72 70 24 4 25 ½ 25 % 51 ¼ 13 % 14 ½ 13 % 20 23 ¼ 20 42 42 ½ 41	38% 37 40 81½ 79 81 81 79 81 72 70 72 29 26½ 28 52¼ 51 52 14% 14% 15 21½ 18¼ 22 42½ 39% 41	15 81½ 83½ 16 80¾ 84 172¼ 73¼ 14 28¼ 29¼ 15 53½ 15 16¼ 14 20 22¼	39 41½ 83 85¾ 84 85¾ 73 75½ 28¾ 31¾ 53½ 54½ 15¾ 17¾ 20 21¾ 41 42¼	40% 43½ 82 85½ 85 85 74% 77 31% 55 16 20 25% 41¼ 42	41 43 81½ 84 76 84½ 71 76 34¼ 39¼ 54 55¾ 16 17⅓ 23¾ 25¼ 41⅙ 42¾	42 % 44 % 78 78 78 80 66 % 71 37 % 39 ½ 55 16 % 17 % 42 % 41 % 42 %	43 % 46 % 79 79 77 % 79 68 69 39 % 46 % 56 55 % 55 % 18 % 26 32 % 41 % 43 %	43½ 45½ 75½ 79 76 77½ 69½ 70 43½ 49½ 55 56½ 16¼ 17½ 28⅓ 30¾ 44 44	44% 49% 76 78% 76 78% 68% 71 43% 46 55% 56% 16% 20 28% 30% 44 45
McCrory Stores Corp	0 62 74¼ 1 36% 37½ 3 39 41% 1 10½ 11¾ 5 68½ 77½ 8 52 57¼ 1 8¾ 9¾ 1 13¼ 15¾	11¼ 12% 11 74 79 75 ————————————————————————————————————	36 31 % 33 43 ½ 41 % 45 12 % 12 15 78 % 73 77 64 58 % 63	14 75 4 79 % 79 % 76 28 34 36 % 33 16 35 16 14 44 46 36 15 14 77 15 85 36 58 16 63 14 12 % 13 % 13 % 13 %	11 1/4 11 3/4 77 3/4 80 34 1/4 38 1/4 32 34 34 1/4 14 5/6 46 3/6 14 5/6 60 71/6 91/4 13 1/4 13 1/6 16 5/6 16 1/6 1/	1136 1176 7734 80 33½ 3776 32½ 36¼ 43 46% 1434 16¼ 79 88 5734 61 734 8% 13½ 1476 16¼ 18¾	11½ 19%6 73 5 4 2.44 35¼ 38½ 43 46¾ 15½ 16½ 85½ 89% 87¼ 60¾ 7% 8¾ 14¼ 15½ 17½ 17%	12 13 74½ 79½ 35½ 39 37¼ 41% 45¾ 53 15¼ 16⅓ 83 87½ 59 65¼ 7¾ 8½ 14¾ 15 17¾ 19	12 1334 76½ 79⅓ 3834 50 3734 41⅓ 48⅓ 52¼ 16¼ 17½ 84⅓ 90 62 67⅓ 734 8⅓ 14⅓ 16⅔ 17¾ 19	13 1/8 13 7/6 77 79 1/2 45 1/2 56 36 38 1/2 49 3/4 59 16 3/4 20 3/4 85 93 3/4 64 1/6, 70 1/2 7 7/6 9 1/6 16 3/6 17 18 1/4 20 1	13 13 <sup>3</sup> 4 77 <sup>3</sup> / <sub>2</sub> 83 <sup>5</sup> / <sub>2</sub> 49 56 <sup>3</sup> / <sub>2</sub> 37 <sup>3</sup> / <sub>4</sub> 40 55 <sup>3</sup> / <sub>4</sub> 59 <sup>3</sup> / <sub>4</sub> 18 19 <sup>3</sup> / <sub>2</sub> 87 98 65 70 8 8 <sup>3</sup> / <sub>4</sub> 15 <sup>7</sup> / <sub>6</sub> 16 <sup>3</sup> / <sub>6</sub> 18 <sup>3</sup> / <sub>2</sub> 22 <sup>3</sup> / <sub>2</sub>
Mead Corp (The)  41/4% preferred (1st series)  Melville Shoe Corp  4% preferred series B	1 22¼ 25½ 79 82¾ 1 56 68½ 6 19¼ 20¼ c 36¾ 42¾ • 79 82 • 109½ 122 • 31¾ 39	34½ 37¼ 34 93 93½ 92 23½ 25¾ 23½ 81 83½ 80 67¾ 73 70 20 21¼ 21¼ 40½ 44⅓ 43 80 83 81¼ 119 130 124 32 33¾ 30½ 18 19½ 18	93½ 94¼ 96 25¼ 24% 26 82¼ 82½ 84 73 65½ 84 21% 21 23 49¼ 45 56 82 80½ 83 140 130 144 34 34 32% 33	5% 25 26 % 1½ 82 ½ 85 1½ 74 92 234 22 ½ 23 ½ 78 48 % 54 % 2 83 % 86	34½ 37¼ 94 95½ 23¼ 25% 82¼ 83% 88 95½ 22% 25% 49% 56% 84 84 145½ 161 32¼ 34% 17½ 19%	35% 41% 94 94 22% 24½ 78½ 82 87 96½ 27 53% 60 85 85 159½ 172 34% 38% 17½ 18½	41 43% 22% 24% 79% 81 25% 26% 65% 65 80 82 165% 180 37% 48 16% 18%	40½ 47¾ 94½ 95½ 23 23% 78¾ 81 24¾ 27 64 73¾ 77 80 186 212½ 41¼ 45¾ 16 17¼	43 46 % 93 94 22% 24% 80 ½ 267% 29 65 ½ 72 74 79 ½ 196 207 42% 5334 16 ½ 17%	41½ 45¼ 92½ 93 22½ 24¾ 80 28½ 80 28½ 68¾ 79¾ 80½ 47 51¼ 17¼ 19¾	41¼ 43¾ 93½ 93½ 23 24 79 80½ 29⅓ 32 72½ 83% 79⅙ 80 42¼ 48 17⅓ 19¼
Mesta Machine Co         Metropolitan Edison 3.90% pfd ser 10           4.36% preferred series 10         10           3.85% preferred series 10         10           3.80% preferred series 10         10           Miami Copper Co         10           Middle South Utilities Inc 1         1           Midland Enterprises Inc 10         1           Midland Ross Corp common 5½% 1st preferred 10         1           Midwest Oil Corp 1         1	0 84½ 90 0 94 100 0 86 89 0 85 86 0 97 100 5 25 27% 0 34¼ 38¼ 1 29¾ 33½ 2 35¾ 39¼ 0 78 86%	41% 46 43% 88 90 87 98% 98% 98 89 90% 86% 85% 87% 86% 100 101% 101% 24% 29% 24% 37% 39% 38% 30 33 32% 37 42% 86 81 25% 26 25%	92 86% 91 101 100% 10: 2 89% 88 88 2 88 88 86 2 103 101% 10: 4 31 26% 21 4 42% 40 40 4 33 31 3 43 38% 44 82	87 89 \\ 8 86 34 88 \\ 1\\2 101\\2 102\\4 \\ 8\\8 27\\6 29\\6 \\ 3\\4 40\\6 43\\4 \\ 2\\6 30 30\\4	46% 48 89 91 98% 101 87½ 87½ 88½ 90 98½ 102¼ 28% 32% 41% 43½ 28% 30 37 48% 84½ 88 30¼ 32½	47 53 90 ¼ 91 ½ 99 100 85 ½ 87 90 92 102 103 20 ½ 34 ¼ 42 ¼ 45 ¼ 28 ¼ 36 % 37 ¼ 40 ½ 82 ½ 86 30 ¾ 38 ¼	50% 56% 89% 98% 96 98% 82 84% 104 104 30% 35% 44% 34% 35% 39% 83% 39% 98%	54 5634 78 83 93 971/2 79 8234 80 80 99 102 3056 371/4 411/8 433/2 34 39 39 427/6 821/2 85 343/2 383/8	55% 60% 82 85½ 93 95½ 80% 82 98 12 100% 35% 45% 35% 43% 82% 84% 36% 35% 35% 35% 35% 35% 35% 35% 35% 35% 35	58½ 61¼ 83¼ 85 92 97 82½ 83¾ 81 83½ 34¾ 38¾ 45½ 48 36½ 36¾ 40¼ 42½ 82¼ 84½ 36½ 36¾	57 62½ 82 84¼ 91 93 81 83 80 84 99 99 39 36 45% 48% 33 36 39 43 82¼ 86¼ 35⅓ 38¾
Minerals & Chemical Corp of Amer- Minneapolis-Honeywell Reg Co	60 76 83% 1 79% 11 10 59 66 15 13% 16% 17 18% 17 18% 17 18% 18% 19 3 96 0 21½ 25% 27% 31	16¾ 21½ 16⅓ 78¾ 86¾ 80⅓ 85% 10 8⅓ 65 65 65 41 14 16¾ 14¾ 18½ 199% 18⅓ 12¼ 14 12⅓ 18⅓ 96⅓ 96⅓ 97⅓ 23⅙ 25⅓ 25⅓ 25⅓ 29¾ 30⅓ 29¾ 6⅓ 8⅓ 7⅓	6     88%     81%     8       9     8       65     65     6       6     15¼     15¼     1       2     21¼     20     2       4     13¼     12¼     1       4     73%     74½     7       2     98¾     98½     9       4     24%     23¼     3       4     24%     23%     3       5     31     30%     3	5¾ 16½ 19¼ 2 20½ 21% 3½ 12¾ 13¼ 77% 75 80½ 6 99 99½ 5 25 27¾ 3¾ 33% 32¾ 33%	16% 1834 8734 9234 11 12% 6534 128 184 184 2146 2236 1232 1334 78 83 99 100 2636 2836 3234 3334 10 12	17 19 88 <sup>1</sup> / <sub>4</sub> 99 <sup>3</sup> / <sub>4</sub> 11 <sup>1</sup> / <sub>8</sub> 13 <sup>1</sup> / <sub>6</sub> 69 71 17 18 20 <sup>7</sup> / <sub>6</sub> 22 <sup>7</sup> / <sub>6</sub> 13 <sup>1</sup> / <sub>4</sub> 16 <sup>1</sup> / <sub>4</sub> 79 <sup>1</sup> / <sub>4</sub> 94 <sup>1</sup> / <sub>4</sub> 98 100 27 29 <sup>1</sup> / <sub>4</sub> 31 <sup>3</sup> / <sub>4</sub> 33 <sup>3</sup> / <sub>6</sub> 10 <sup>9</sup> / <sub>6</sub> 12 <sup>1</sup> / <sub>4</sub>	18 1/4 20 1/4 94 1/4 99 3/4 12 1/2 15 1/4 71 1/4 78 1/2 18 1/4 21 1/2 24 14 14 15 15 1/4 89 94 99 3/6 100 28 31 1/4 31 1/6 16 1/2	17% 18¾ 93¾ 101½ 14% 17 76¾ 79 21¾ 23¼ 23¾ 25¼ 14¼ 16¾ 91½ 97¾ 94 99¾ 30 34% 31% 32½ 15 17%	17% 19% 98% 16% 98% 16% 96% 23% 27% 24% 27% 16% 18 91% 100 95 102 \$3 33% 35% 31 32% 16 18%	16% 18% 95% 14 14 17% 20% 88% 96 24 28 26% 27% 17% 20% 99 107% 102 11 102 11 33 1/4 34 34 16 1/8 18 3/8	171% 1934 110 126 181% 938 9144 938 2434 26 2734 26 2734 204 10214 116 10214 10214 3334 3514 16 1836
Mission Corp Mission Development Co Mississippi River Fuel Corp Missouri-Kansas-Texas RR Co 7% preferred series A Missouri Public Service Co Missouri Public Service Co Mohasco Industries Inc 3½% preferred	18	21% 25% 213 5 5% 5% 54 56 533	4 21% 10 2 4 30 27% 3 6% 5% 43% 38 4 6 24% 20 2 5% 5	7% 35% 37% 37% 11% 20% 22% 13% 30 32% 6% 8 9 45% 49% 41% 23% 27% 6% 5% 6% 69 67 69	36½ 40 21 23% 31¼ 33½ 8¼ 9% 49½ 57% 26¾ 30 57% 65½ 67% 73%	37 42½ 21 23% 33¼ 35¾ 8 9½ 50½ 61¾ 28¼ 32¾ 6¾ 7¼ 63½ 66 77½	41 44% 23% 25% 34¼ 36% 7½ 8¾ 57¼ 89% 31¼ 34 6% 72½ 78½ 82½	39½ 44¼ 21% 24 32½ 35½ 7¾ 9% 57% 65 31 36 16% 17¼ 8% 10¾ 70¼ 72½ 80 82½	38 43 22 24½ 34 37¾ 7¾ 9½ 62½ 66% 31¼ 36¾ 16½ 17½ 9½ 12¼ 69¼ 75 80 84½	3834 4314 2034 2214 3436 3836 734 914 6114 6774 3516 3836 1634 1736 1114 1312 63 80 71 90	4016 4216 2016 22% 3516 3096 716 6516 87 4376 1716 1094 1116 6396 6016 6396 6016 6396 6016 6396
Mojud Co Inc	15 15 17 17 12 17 12 17 12 17 12 17 12 17 12 17 12 17 12 17 17 12 17 17 17 17 17 17 17 17 17 17 17 17 17	11% 12% 111 7 7½ 61 32 35% 311 23½ 25% 233 46 47% 45%	6 19¼ 17¼ 1 12¼ 1 12¾ 1 11¾ 1 12¾ 1 11¾ 4 1 12¾ 4 1 14¾ 4 1 12¾ 4 1 14¾ 4 1 12¾ 4 1 1 13¾ 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1½ 10% 12% 9 17% 18% 22 11½ 12½ 13¼ 77 5% 6% 31% 726½ 27 3 513¼ 54 7% 16% 18%	53/4 81/2 303/4 331/4 257/6 281/6 54 563/4	10% 11½ 18¾ 13 13½ 6% 6% 8% 31¼ 35½ 26½ 28% 54½ 59¼ 15½ 17¼	11 % 11 ½ 18 ½ 20 13 13 ½ 7 8 % 36 ¼ 26 ¾ 28 53 % 58 ¾ 17 % 18 %	11 1/6 12 1/2 19 20 1/4 13 14 3/4 7 8 7/6 33 3/4 35 3/6 27 1/6 27 7/6 54 60 1/4 17 3/4 18 1/4	11% 13 18½ 20 13¾ 14¼ 8¼ 8¾ 34¾ 39½ 26¼ 27½ 60 64½ 17% 18½	12¼ 13% 18¼ 19¼ 13% 14½ 25% 41% 27 31¼ 64 68¼ 20	13% 16% 18% 19¼ 12% 13¼ 7½ 8½ 37% 40 29½ 31½ 66¼ 71½ 19% 21¼
Monterey Oil Co  Montgomery Ward & Co Inc  Moore-McCormack Lines Inc  Motrell (John) & Co  Motorola Inc  Motor Products Corp  Motor Wheel Corp  Mucler Brass Co  Munsingwear Inc  Murphy Co (G C)  Murray Corp of America  Myers (F E) & Bros	12 17% 19% 10 11½ 14% 14% 1-3 38½ 41¼ 15% 15% 16% 15% 24½ 1.5 17 18½ 24½ 15% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18½ 16% 17% 18% 18% 18% 18% 18% 18% 18% 18% 18% 18	32% 33% 33% 33°4 33°4 33°4 14% 14°4 14°4 14°4 14°4 38°4 42°4 38°4 37°3 38°4 37°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 13°4 14°4 14	2a 36 % 33 19 % 18 ½ 19 % 16 % 14 % 36 % 38 ¾ 38 ¾ 38 ¾ 26 % 26 % 20 % 18 % 40 % 38 % 26 % 20 % 18 % 40 % 38 % 38 % 38 % 38 % 38 % 38 % 38 % 3	22% 22% 24% 25% 36½ 36½ 35% 36½ 38% 19½ 38½ 44½ 35% 38% 12% 44½ 35% 38% 25% 19½ 20% 20% 20% 20% 24% 28% 44¼ 41½ 43	34% 37% 19% 14% 15% 37% 41 42 48% 13 14% 19% 19% 37% 37% 38% 37% 38%	23¼ 27¾ 36¾ 38½ 18% 19½ 15 19½ 41¾ 41¾ 45½ 25 29¼ 19¾ 21½ 37% 40¾ 27½ 29% 40¾ 43½	26% 30% 39% 39% 18% 20% 16% 19% 45% 45% 31% 21% 23% 42% 27% 43% 47	27% 31¼ 39% 18% 29% 18% 20% 17% 26% 25% 14½ 55 14½ 16¾ 30¼ 31¼ 21% 23¼ 38¼ 40 27½ 30% 47 50	29 % 32 % 39 % 19 % 20 % 16 % 19 % 60 % 15 % 17 29 30 % 22 % 25 % 39 42 % 46 50	61 65 15% 18% 28½ 32¼ 23¾ 25 41½ 44½	32% 37½ 40% 42¼ 20% 21% 19% 23¼ 52¾ 60½ 63¼ 75¾ 16% 27 29¼ 23 25% 42¼ 45 30½ 45 48

Vol

#### NEW YORK STOCK EXCHANGE STOCK RECORD -- 1958 November Low High July High September Low High October Low High August Low High Low High STOCKS N 14 1/2 55 223/4 16 1/2 29 14½ 59 20¾ 14½ 28¾ 13 53!4 1738 1338 26!4 13<sup>3</sup>/<sub>4</sub> 52<sup>1</sup>/<sub>4</sub> 17<sup>1</sup>/<sub>4</sub> 13<sup>5</sup>/<sub>8</sub> 26<sup>3</sup>/<sub>4</sub> 13<sup>1</sup>/<sub>2</sub> 50<sup>1</sup>/<sub>2</sub> 15<sup>3</sup>/<sub>4</sub> 13<sup>5</sup>/<sub>8</sub> 26<sup>3</sup>/<sub>4</sub> 1278 4934 1538 1558 2838 12 1/4 47 3/6 14 1/4 13 1/2 25 1/2 12½ 13¾ 45½ 53½ 14¾ 16¼ 10% 12¼ 23³ 26¾ 45 47¾ 158½ 168½ 10 12 55⅙ 58⅙ 135/8 531/2 151/8 125/8 263/4 12 18 50 78 15 1/4 13 1/2 29 12 47½ 14¼ 12% 25% 1334 541/2 161/4 151/8 Par 14<sup>1</sup>/<sub>4</sub> 17<sup>3</sup>/<sub>8</sub> 11<sup>3</sup>/<sub>4</sub> 30 1<sup>1</sup>/<sub>4</sub> 46<sup>1</sup>/<sub>2</sub> 167<sup>1</sup>/<sub>4</sub> 10<sup>7</sup>/<sub>8</sub> 57 11 1/4 50 1/8 14 1/2 11 5/8 24 3/4 1138 4914 1418 1214 59% 19% 14% 29% 54 1738 1419 2914 12 % 45 15 10 % 25 % 1 1/6 43 % 162 10 53 1/2 437a 141/a 95a 4712 1834 1114 31 49 50<sup>3</sup>/<sub>4</sub> 151<sup>1</sup>/<sub>4</sub> 155 13 15<sup>1</sup>/<sub>8</sub> 67<sup>3</sup>/<sub>4</sub> 86<sup>1</sup>/<sub>4</sub> 473/4 151 131/2 671/a 47½ 50¼ 151¼ 158 12½ 14¼ 69% 74¾ 4714 14934 13 7014 51 1/2 154 16 1/4 73 5 8 49% 156% 14% 40 1/2 160 1/2 1134 6434 473<sub>4</sub> 158½ 1134 50 1/4 162 1/2 12 5/8 48½ 162½ 115% 62¾ 49% 167 13% 4658 441/4 159 111/4 531/2 471/4 1671/2 131/2 571/2 49½ 166½ 13⅓ 51 168 14 711/2 4176 4434 National Biscuit Co. 163 ½ 168 934 11 50 ½ 55 76 preferred National Can Corp National Cash Register Co 29 1/8 227a 241/a 2312 2512 28 30% 20½ 33½ 43 13% 21% 91 19% 45 2134 34% 4036 13½ 2236 91½ 19% 4434 9334 19<sup>1</sup>/<sub>4</sub>-32<sup>1</sup>/<sub>6</sub>-37<sup>3</sup>/<sub>4</sub>. 13<sup>1</sup>/<sub>2</sub>: 20<sup>3</sup>/<sub>6</sub>: 86<sup>1</sup>/<sub>4</sub>. 17<sup>1</sup>/<sub>6</sub>. 42 90 2314 3474 4078 1512 2314 9112 1916 46 9312 2350 2318 2478 2234 22 23 2234 23 1/6 36 1/4 44 7/8 15 1/4 23 3/4 92 3/4 20 1/6 47 3/8 97 2134 23 37% 46 14% 23½ 94 20 47% 95 21% 33% 39¼ 13½ 22⅓ 90½ 18¾ 43¾ 91¼ 23% 37% 41% 15% 23% 92% 19% 47% 93% 4734 1736 2434 94 2136 48 100 49% 49% 46 4815 4434 47<sup>3</sup>/<sub>4</sub> 18 24 <sup>1</sup>/<sub>2</sub> 95 20 <sup>1</sup>/<sub>2</sub> 48 <sup>3</sup>/<sub>4</sub> 100 44 18 16 12 23 12 90 3a 20 16 46 12 95 38 4514 441/2 4358 4634 435 15½ 23⅓ 91 19¾ 46¾ 95¾ 29 1/4 31 9834 1001/4 221/2 24 551/2 593/4 28% 99 21% 54% 95% 313/8 1033/2 227/8 583/8 97 26% 98 20% 54 27% 93¼ 21¼ 58¾ 92½ 2578 92½ 20 52¼ 92½ 23 1/6 --- 90 20 1/4 48 93 3/8 26 1/2 94 21 1/2 52 1/8 96 3/4 24½ 91¾ 20¾ 52¼ 24½ 90½ 20⅓ 54 90½ 2578 94 211/8 5534 961/ 92 110 150 129 16% 26% 1714 103 ¼ 112 ¼ 150 153 128 ¼ 132 1634 18 2634 30 ¼ 1734 1858 107<sup>1</sup>/<sub>2</sub> 159 134 18<sup>3</sup>/<sub>4</sub> 30<sup>5</sup>/<sub>8</sub> 20 94 168 143 16½ 24% 17¾ 114% 153½ 132½ 17½ 29½ 18% 105¼ 148 131 85 1/4 162 1/4 139 14 7/6 21 3/4 15 7/8 90½ 162 136 16½ 23½ 17¼ 100% 156½ 132½ 16% 25¼ 18¼ 101 151 115 1/2 88½ 164¾ 141½ 16¾ 24¼ 16¾ 88½ 162 139 15¾ 21¾ 16½ 84 1/6 159 139 14 5/6 22 3/6 15 1/2 87% 166 141 15 25 16% 9334 1601/2 1351/4 135/8 221/8 166 143 -16% 27% 19 148 153 131 134 4 16% 17 27 30% 17 6 19% 34 142 68% 764% 99%, 167½ 142½ 14¼ 25¾ 16¾ 164 136 171a 273a 1912 National Lead Co 164 1/2 142 1/2 7% preferred A 100 6% preferred B 100 National Linen Service Core National Malleable & Steel Cast Co. National Shares Corp 160½ 139½ 14⅓ 22¾ 15¾ 130 1/8 167/8 261/4 191/8 1434 26½ 16¼ 1436 2258 1534 15 26 16% 62½ 37½ 71 35% 731/a 351/4 7012 4034 49 35½ 523% 38 6834 3538 7734 53 36<sup>3</sup>4 66<sup>3</sup>4 40 50½ 34 38¼ Rights 531/4 34 38 511/4 60 . 371/2 51 30563 3414 49 33% 35% 49 1/2 33 1/4 35 1/4 52% 35% 37% 47 % 32 33 49 34 Rights National Steel Corp. National Sugar Refining Co. (The)... National Supply Co (The)... 563/4 33 373/4 .5 3734 36 59% 10½ 12% 14¼ 6½ 14¼ 13% 36¼ 78 58 1/8 93/4 103/4 13 57/8 14 12 341/4 751/4 5934 934 12 1238 634 1418 1334 5434 914 912 11 634 1412 1134 3258 8238 56 978 1078 1134 634 1414 1334 3614 5512 63 1/4 10 1/2 12 1/4 13 3/4 75 a 16 3/4 13 3/6 38 1/2 79 1/2 62 10 11% 13% 6% 1434 12 3534 79% 7134 1114 1256 1376 812 1614 1276 3736 8034 5156 814 814 1018 558 14 1116 31 46% 75% 76% 11 53% 13% 11% 28% 7714 52 81/4 91/6 103/4 133/4 111/6 321/4 82 5258 834 50 5514 49<sup>3</sup>/<sub>4</sub> 8 9<sup>7</sup>/<sub>8</sub> 10<sup>7</sup>/<sub>8</sub> 5<sup>3</sup>/<sub>4</sub> 11<sup>3</sup>/<sub>8</sub> 32<sup>1</sup>/<sub>4</sub> 81 4834 836 816 85 8 10 1114 618 1358 1258 3412 76 National Tea Co National Theatres Inc. National U. S. Radiator. 47 81/8 78/8 103/4 53/8 101/4 283/8 78 51 1/4 9 8 1/8 11 1/6 55/6 14 1/6 11 1/4 30 1/2 78 1/2 4938 9 11 14 12 14 5 76 13 34 13 34 14 74 16 4254 736 714 958 434 1356 1056 2654 7712 1034 534 1034 534 131/2 105/4 281/2 771/2 878 818 1114 578 1418 1118 32 80 8 101/4 111/4 57/8 133/4 83% 77% 123% 57% 135% 113% 29 791/2 101/8 121/8 61/2 145/8 113/4 333/8 1038 1134 61/2 141/4 121/4 345/8 12 1/h 57/s 14 11 7/h 29 1/2 78 1/2 National Vulcanized Fibre Co-Natomas Co-Nehi Corp Neisner Bros Inc. Newberry Co (J J) 3%66 preferred 121/4 34 78 17 11/64 88 78½ 38¾ 19½ 16 21¾ 95 1836 181/8 18% 20 171/2 1734 183 i 18 20 15% 175% 1858 1814 New England Electric System Rights 1734 1714 181/8 1634 15% 16% 15% 161/4 141/2 16 82 160 445a 22 257a 297a 121½ 230 85 9714 4334 22 2534 3056 121 Rights N J Power & Light Co 4% pfd ser 100 Newmont Mining Corp Newport News Ship & Dry Dock Co 1 New York Air Brake Co 5 New York Central RE Co 5 New York Central RE Co 15 New York Dock 5% non-cum pfd 7 New York Dock 5% non-cum pfd 7 New York & Harlem RR Co 50 85 96 1/4 1 44 5/6 20 21 1/4 29 117 90 78 36½ 18 15% 24<sup>3</sup>8 105 85 94 7758 3634 1858 15 2112 100 205 85 73 37 1/6 18 1/4 13 3/6 19 1/2 85 74 1/8 38 18 1/4 13 1/4 19 88 7234 3614 1858 1314 18 86 75 36<sup>3</sup>/<sub>4</sub> 17<sup>3</sup>/<sub>4</sub> 14<sup>1</sup>/<sub>4</sub> 20 96 7914 3834 1934 155% 2212 87 68 39<sup>1</sup>/<sub>4</sub> 17<sup>3</sup>/<sub>4</sub> 14<sup>1</sup>/<sub>6</sub> 19 88 ½ 77 4434 2014 1614 23 9734 195 923/4 411/4 191/6 181/4 261/2 108 87½ 38¾ 18⅙ 18 26½ 107 97 4658 2114 2438 3034 115 1041/4 491/2 233/4 291/4 321/2 108 4838 26 2834 3214 128 275 85 3938 20 1818 2478 89 40<sup>3</sup>a 19<sup>5</sup>a 19<sup>1</sup>a 27<sup>1</sup>4 105 81 % 40 2034 1434 2058 80 1/2 43 7/8 21 1/4 15 3/4 23 3/8 505 a 221 a 291 4 323 a 127 235 4214 2014 20 2838 108 200 220 225 225 226 225 225 200 6½ 9 15% 22 26% 29% 39½ 42% 84 84 84 83 73% 73% 80 80 81½ 84¼ 10 2014 3136 4614 7734 3414 11½ 21¾ 34 56¾ 78½ 38¾ 70 75½ 80½ 83½ 105½ 98 9½ 20¼ 29 48¾ 75 37 67¼ 70½ 78 82 104 9 18 30 50<sup>3</sup>/<sub>4</sub> 75<sup>3</sup>/<sub>2</sub> 36<sup>3</sup>/<sub>4</sub> 67 71<sup>3</sup>/<sub>2</sub> 76<sup>3</sup>/<sub>2</sub> 82 103 95 734 1812 2814 4616 7412 3416 67 7012 7612 80 738 1734 2614 46 80 3474 68 72 81 85 103 12<sup>3</sup>8 24<sup>7</sup>8 33<sup>1</sup>2 49 77<sup>3</sup>4 36<sup>1</sup>4 69 74 82 83<sup>3</sup>4 106 113a 2334 3634 50 804 3734 70 73 7942 111/4 23 1/4 33 1/2 53 1/4 78 39 70 73 81 83 1/2 106 97 1/2 634 1734 28 44 85 33½ 73½ 78½ 83 93 53a 145a 254a 4314 81 325a 7214 767a 811/2 90 106 1021/2 6% 16¼ 25% 45¼ 82 34¼ 74 78 84¼ 90-105½ 8<sup>1</sup>8 19<sup>1</sup>2 30 48<sup>1</sup>2 82<sup>1</sup>2 35<sup>3</sup>4 69 77 83 88 5 1/8 14 1/4 26 1/2 38 1/4 79 3/4 29 1/4 73 3/4 76 1/4 82 89 1/2 1834 29 4714 83½ 3638 7414 80 86 91 108 712 22 3138 4012 83 3112 7334 8012 86 9315 16 26% 44% 83 34 74 79 85½ 91 17 2718 4514 84 35 73 80 8812 92 108 10412 16 25<sup>3</sup>/<sub>8</sub> 44 ½ 81 34<sup>3</sup>/<sub>4</sub> 74 ½ 79 80 88 105 101 19<sup>1</sup>/<sub>2</sub> 27<sup>3</sup>/<sub>4</sub> 47<sup>1</sup>/<sub>2</sub> 83<sup>1</sup>/<sub>2</sub> 35<sup>7</sup>/<sub>8</sub> 76 80<sup>7</sup>/<sub>8</sub> 85<sup>1</sup>/<sub>4</sub> 89<sup>3</sup>/<sub>4</sub> 107 103<sup>7</sup>/<sub>8</sub> 151/4 251/2 421/6 83 321/6 721/2 76 81 93 1758 2874 4718 8414 3638 74 8012 8812 91 Niagara 3.40% 3.60% 3.90% 4.10% 100 100 100 100 68 7012 76 8214 104 preferred preferred preferred preferred preferred 106 108 1041/2 1071/2 10614 preferred 203/8 36 581/4 221/2 287/8 181/2 681/2 27 61<sup>3</sup>/<sub>4</sub> 89<sup>3</sup>/<sub>4</sub> 23 45<sup>7</sup>/<sub>8</sub> 24<sup>1</sup>/<sub>2</sub> 21 1/4 34 1/2 61 1/2 23 31 7/8 18 3/4 69 25 40½ 69¾ 23¾ 35¾ 22 72 24½ 44½ 69¼ 21½ 33¾ 20½ 24 ½ 49 ½ 78 ¾ 22 33 ¾ 22 ¾ 22 ¾ 24<sup>3</sup>/<sub>4</sub> 57 86<sup>1</sup>/<sub>4</sub> 22<sup>1</sup>/<sub>2</sub> 39<sup>3</sup>/<sub>6</sub> 22<sup>1</sup>/<sub>2</sub> 1876 3114 5536 22 2914 1514 68 20% 33¼ 60½ 23¼ 33¼ 18% 70 20 1/8 33 54 1/4 22 25 1/6 17 1/4 68 1934 32½ 54½ 22¼ 26¼ 1678 66 1978 32 1/4 53 3/4 23 26 3/8 17 1/8 63 1/2 21 1/4 35 1/2 59 23 1/2 29 5/8 19 1/2 68 22 39 62½ 2338 3134 20 67 20½ 36½ 61¼ 23 30¾ 18¼ 65¼ 22 39 1/2 65 23 1/2 33 3 8 19 7 8 69 1/2 2134 3614 6234 2234 3038 1915 23<sup>3</sup>4 39<sup>1</sup>/<sub>2</sub> 68<sup>1</sup>/<sub>2</sub> 22 33<sup>5</sup>/<sub>8</sub> 21<sup>1</sup>/<sub>2</sub> 2538 4434 7134 23 3614 2234 26 1/2 54 76 1/2 22 1/4 36 7/8 22 1/6 25 48 75 14 21 58 31 34 20 34 26<sup>3</sup>4 59 92 22<sup>1</sup>/<sub>2</sub> 40<sup>5</sup>/<sub>8</sub> 27<sup>7</sup>/<sub>8</sub> 72 <sup>1</sup>/<sub>2</sub> Niagara Share Corp. 265a 523a 8212 2234 365a 247a 7114 Nopco Chemical Co. Norfolk & Western Ry Co. Adjustment preferred North American Aviation Inc. Northeast Capital Corp. Northern Central Ry Co. 35½ 58 23 28¾ 18¾ 65 25 25 491/2 511/4 5314 501/4 53 51% 53 Rights Common new 5½% preferred 5.80% preferred Northern Pacific Ry Co... When issued 287<sub>1</sub> 3<sup>23</sup><sub>8</sub> 105<sup>3</sup>4 107 107<sup>1</sup>2 110<sup>1</sup>8 48 51 48<sup>3</sup>6 48<sup>1</sup>2 28 30 1/8 103 1/2 105 3/4 108 109 49 1/4 59 3/8 2638 29% 109½ 113¼ 41¼ 28% 107% 106% 4134 100° 100° 100 28½ 1075 109 30 109 112½ 43¼ 30 1/2 108 1/2 108 1/2 46 3/4 275% 104 107½ 45 29 1/2 2638 28<sup>4</sup>/<sub>4</sub> 107<sup>1</sup>/<sub>2</sub> 111<sup>1</sup>/<sub>6</sub> 38<sup>1</sup>/<sub>2</sub> 2878 27% 28 2934 102 108 48 104 105½ 109 38 1041/2 106 109½ 38¼ 105 106 108½ 110 35% 40% 106 107 108 111 12 35 14 39 18 106 111 1081/4 1131/2 391/2 106 1091/a 513/8 105 109 107 321/4 5815 21 74½ 84 81½ 86½ 92 29 19¾ 22 1/4 75 1/2 84 1/8 18 1/4 76 3/4 89 1/2 88 1/2 92 1/4 22 1/6 12 3/4 20 % 81 ½ 90 ½ 89 % 90 ¾ 92 ¼ 23 % 14 % 2136 71½ 81½ 80½ 82¼ 8434 28 23% Northern States Power Co (Minn) 5 Preferred \$3.60 series 100 Preferred \$4.10 series 100 16% 77¼ 88 18 83 ½ 90 ½ 1734 79 90 18 82 92 1734 76½ 8934 18 % 79 ½ 92 19½ 80 89 2038 81½ 91½ 20½ 80¾ 91½ 22 83½ 94 20 1/4 78 1/8 89 1/2 21% 82 92 19% 74 81 21 1/a 79 88 1/2 1978 7012 81 20% 71 81½ 22½ 75 83½ 90 92 92½ 24¾ 14½ 90% 89% 91% 24% 14% 81 ½ 82 83 ½ 28 % 23 ½ 1% 30 ¼ 83 84<sup>1</sup>/<sub>4</sub> 84<sup>1</sup>/<sub>2</sub> 37<sup>1</sup>/<sub>2</sub> 33<sup>1</sup>/<sub>8</sub> 2<sup>1</sup>/<sub>4</sub> 34<sup>1</sup>/<sub>4</sub> Preferred \$4.08 series\_ Preferred \$4.11 series\_ Preferred \$4.16 series\_ 87 87 901/4 221/4 101/8 89½ 91½ 90½ 24¾ 13½ 90 91 1/2 92 1/2 22 3/4 12 3/6 87½ 90 92½ 22¾ 12¾ 91 1/2 91 1/2 93 1/2 23 1/2 14 1/4 91 1/4 90 92 1/4 22 5/8 13 5/8 91 1/4 91 3/4 93 1/2 25 1/4 14 7/8 92 92½ 91¾ 26¾ 17¾ 90 86 1/4 26 16 3/4 82½ 84½ 86 31¾ 27½ 100 100 100 90 893/4 80<sup>1</sup>/<sub>2</sub> 80<sup>3</sup>/<sub>4</sub> 82 83 1/4 92 26% 17¼ 92 1/4 92 1/2 23 3/4 14 1/8 94 1/4 92 1/2 25 3/4 15 1/8 275% 181/4 2834 26 Northrop Aircraft Inc. Northwest Airlines Inc. Rights 514% convertible preferred. 4.6% preferred. 25 2434 31% 25 1/6 47 1/4 25 1/8 35 1/2 24% 31 24% 33% 23 1/4 35 3/4 22 % 39 23½ 41 2334 24 401/4 2534 5014 24½ 46 24 ½ 45 ¼ 23½ 39¾ 32 1/8 35 1/8 571/2 Norwich Pharmacal Co. 331/2 381/4 0 Ohio Edison Co common. 4.40% preferred 3.90% preferred 4.56% preferred 4.44% preferred 50% 94¼ 84½ 98 96 28½ 39% 53½ 99 91 103 97 31½ 44 53 % 97 ½ 86 99 ¾ 199 29 ¼ 42 % 54% 99% 88 101% 101 31% 44% 51% 53% 97% 99 87 88 99% 101 98% 98% 29% 33% 42% 45% 52% 56 97½ 99% 88 90¼ 100½ 102½ 100 100 30½ 33% 43¼ 45% 53 ½ 55 ½ 99¾ 103 88 92 ½ 100¾ 103 99 101 ½ 34¾ 39¾ 47% 50 53¼ 56¾ 98½ 102 84¾ 90½ 100¼ 102½ 98 101 38¼ 42% 49 50½ 58 94 82 99 93½ 425% 56¼ 54% 55% 99¼ 101½ 88 92¾ 101¼ 102½ 100¼ 102 32½ 35¾ 45 47% 53½ 55¼ 90¼ 99 82 86¾ 96¾ 101 91 98 39¼ 43⅓ 48⅓ 51 5278 90 78½ 95 8958 3934 4858 5578 9312 83 98 9112 4158 55 55 1/4 90 79 95 89 39 1/8 54 1/8 55 1/4 90 1/4 79 1/4 97 90 1/4 39 1/4 60 56% 91 79¾ 94½ 90 38½ 55½ 27¼ 17% 89½ 60 1/2 93 1/2 84 98 93 1/2 41 3/4 56 5/8 28 17 5/8 94 1/4 84 99 94 41 3/4 \_100 \_100 \_100 \_100 Ohio Oil Co (The) Oklahoma Gas & Electric Co com\_\_\_10 27 171/4 881/2 2978 1778 91 New 4% preferred 4.24% preferred series 171/s 92 18 % 98 \_20 17¼ 93 17½ 95 17¼ 17% 93½ 95 17% 95 18% 97½ 17% 96½ 18 17% 17½ 89 1714 1814 18 18 93 1814 18 95 18% Oklahoma Natural Gas When issued Olin Mathieson Chemical Corp 4.23 conv pfd series of 1951 Oliver Corporation 41/2% convertible preferred \_7.50 261/4 273/4 26% 28 27% 29% 301/2 31% 33% 3134 $37\frac{1}{2}$ $26\frac{7}{8}$ $38\frac{1}{2}$ 39 29<sup>1</sup>/<sub>1</sub> 45<sup>1</sup>/<sub>8</sub> 29% 3234 32% 30% 33% 31% 331/4 3358 33% 391/2 39 95 7½ 86

\_100

37¼ 43½ 99 101% 7% 9% 70½ 73

391/4

101¼ 102 8 9% 71¼ 79

3114

836 76½

351/4

9% 79%

331/4

91/2

35 1/6

12 1/8

331/8

1034

3536

121/4 851/2

381/4

13 843/4

353/4 39

12

83.

35

1134

3918

127/8 861/2

37%

4214

111/8 1234

361/2

1134

3934

141/4

151/4 941/2

131/4

87

33

11 801/4

42% 101 9% 72%

STOCKS	January Low High	February Low High	March Low High	April Lew High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Otis Elevator Co	20½ 22¾ 86½ 93½ 13½ 13½ 38¼ 41¾ 59 65½ 94½ 96½ 25½ 30 87 90	43% 48% 22% 25% 83½ 25% 83½ 91½ 13 13¼ 37½ 40½ 65% 94 96 29 30½ 88½ 90½	48 52¾ 23¼ 26½ 82½ 102 38 44¾ 64% 69¼ 95¾ 98 28 30½ 90½ 93	50 53 ¼ 22¾ 24% 100½ 111 12¾ 12¾ 39¾ 4 65¾ 69 29¼ 30 92¼ 94¼	50% 56 23% 29 96 103 12½ 12½ 40¾ 46% 67½ 70½ 95% 98% 30 34 94¾ 96½	50 54 ¼ 27 % 96 104 ½ 12 ¼ 12 ½ 45 ½ 49 % 67 72 96 ½ 31 ¾ 34 ¾ 95 96 ½	49% 55 22% 25% 103 107 12 13 45½ 48% 67% 74½ 97 99% 33 34% 93 95½	53 56% 24% 2634 102½ 10734 12% 13 46½ 5134 72¼ 75% 98% 99% 33 3834 93% 96	5534 59½ 26 2836 98 106½ 13 14 47¼ 55½ 72¼ 75¼ 97 99½ 31½ 34¼ 86 93½	The Inventories		
Pacific American Fisheries Inc. 5 Pacific Cement & Aggregates Inc. 5 Pacific Coast Co. 1 5% preferred 25 Pacific Finance Corp. 10 Pacific Gas & Electric Co. 25 Rights Pacific Lighting Corp. 9 Pacific Mills	9½ 12% 11½ 12½ 18¼ 18¼ 40 48 47¾ 51¾ 40% 42¾	9 9½ 12½ 13 10½ 13 18¼ 18¼ 45% 47% 50 52½ 41% 43 20¾ 22¾	8% 9% 11% 13% 11 11% 47 50% 51% 54 42% 44 20% 23	8% 111% 13% 101/2 11 % 471/2 50 % 53% 57% 42% 45 23 24 1/2	8% 9½ 12% 13 10 11½ 18¼ 19 48½ 53 55¼ 57	9 <sup>1</sup> / <sub>4</sub> 9 <sup>5</sup> / <sub>6</sub> 11 <sup>7</sup> / <sub>6</sub> 12 <sup>7</sup> / <sub>6</sub> 11 <sup>1</sup> / <sub>4</sub> 14 <sup>7</sup> / <sub>6</sub> 20 20 47 <sup>3</sup> / <sub>4</sub> 53 <sup>1</sup> / <sub>4</sub> 56 <sup>5</sup> / <sub>6</sub> 58 <sup>3</sup> / <sub>4</sub> 15/64 3 44 <sup>1</sup> / <sub>2</sub> 48 26 29 <sup>1</sup> / <sub>2</sub>	9 1036 12½ 14% 14 15½ 21 22 49¾ 54½ 42% 57¼ 55 15/64 47 48% 24¾ 27¾	9½ 10 14 15¾ 13½ 14¾ 53% 57 54¾ 57 47¼ 48¼ 27½ 29	9½ 12¾ 14¾ 15¾ 13 14¼ 20% 21¼ 54 56¼ 56 58¾ 47% 49% 28 29	10 <sup>3</sup> 4 14 15 18 ½ 12 ¼ 13 ½ 20 ¼ 21 ¼ 54 63 ½ 55 ½ 58 ¼ 48 ½ 52 27 ½ 39 ½	10 % 11 36 17 % 19 % 11 36 21 22 % 62 64 % 57 % 62 % 50 % 52 % 37 % 37 %	10 12¾ 19½ 21½ 11¾ 14¾ 21½ 22½ 58¼ 62½ 59¼ 64 51½ 54¼
Pacific Telephone & Telegraph Co 100 Common rights 6% preferred 100 Pacific Tin Consolidated Corp 1 Pan American World Airways Inc 1 Panhandle Eastern Pipe Line Co 4% preferred 100 Paramount Pictures Inc 1 Park & Tilford Distillers Corp 1 Parke Davis & Co 4 When issued	131 137 4½ 5 12¾ 15¾ 37 44 90 92 30¾ 36¾ 42 42 53 60¼	121% 124% 134 137½ 4 5½ 13% 14% 39 43¼ 92 92½ 33½ 38% 43 43 59% 68½	12234 126 ½ 133½ 138¾ 4 4¾ 14¼ 14¾ 39½ 42½ 95 95½ 33½ 34¾ 44 51 67½ 76	122% 128 134½ 143 4 4¼ 13½ 15% 39% 47% 96 98 32¾ 37 71¼ 80%	126¼ 131¾  138 142¾ 4½ 4¾ 14 15½ 43½ 47% 94½ 96 36⅓ 38¼ 76 81¾	130½ 135¼ 137 142½ 4 43% 15¾ 17 47¾ 49% 92 94¾ 36¾ 40¼ 76 82¾	132 133% 135½ 139½ 4¼ 5¼ 15% 17% 47¾ 51¼ 93 95 39% 43% 78¾ 87%	133 % 139 ½ 134 136 4 ½ 5 ¼ 16% 18 ¼ 49 ½ 52 ½ 94 94 40 ½ 42 ½ 85 ¼ 89 %	137% 141% 130 136 4% 5 17 21% 504 52% 94 94 41% 44% 89% 112	137% 146 130% 136 4% 5% 19% 22% 51% 54% 94 94 43% 45% 96 107%	137¼ 149½ 5 5½ 130 188 4¾ 5½ 20½ 23½ 52¾ 59½ 93 94 45¼ 47¾ 97½ 105½ 33½ 35½	138½ 150 4½ 6½ 131 136½ 4½ 5 20¾ 23¼ 55¼ 62¼ 91½ 94 45½ 47¼ 
Parker Rust Proof Co         2.50           Parmalee Transportation Co         2.50           Patino Mines & Enterprises Cons         3.50           American shares         2.50           Peabody Coal Co common         5.50           5% convertible prior preferred         25           Penick & Ford Ltd Inc         3.50           Peninsular Telephone Co         3.50           \$1 preferred         25           \$1.32 preferred         25           \$1.30 preferred         25	15¼ 18¼ 2¼ 3% 7½ 9¼ 19¼ 23¼ 0 30% 32% 51 51 5 25½ 26	19½ 20% 17% 18% 2% 3% 8¼ 9% 22% 23 32 35¼ 	19¼ 20½ 17% 19% 2¾ 3½ 8 9% 22¼ 22¾ 32¼ 34½ 26 26½ 26 26½	19% 20½ 17% 19% 2% 3% 8% 10% 22¼ 23¼ 34% 32% 34%	20½ 22% 19¼ 25% 2¾ 3¼ 10% 11¼ 22 23 33¼ 35%	19 1/8 22 22 3/8 32 3/4 2 3/4 3 10 7/8 11 1/2 23 25 34 3/4 36 3/8	19 21¼ 27% 33% 2% 3¼ 11¼ 13 24¼ 25 35¼ 38¾	19¾ 21 28% 32½ 2¾ 3 12 13¼ 22 25 38 39¾ ————————————————————————————————————	20 21¼ 30¼ 36¾ 2½ 3 12½ 13½ 22½ 23¼ 37¾ 40½ — — —	20½ 21% 35% 57 2¾ 3¼ 12¼ 13¼ 23 23% 38½ 41	20 21 42 52 2% 3½ 13½ 15% 20¾ 23 41 48¼	20 <sup>3</sup> 6 27% .46 52 <sup>3</sup> 4  2½ 3¼ 13½ 15¼ 21½ 23½ 42 <sup>3</sup> 4 49
Penn-Dixie Cement Corp         1           Penn-Texas Corp         10           Common rights         \$1.60 convertible preferred         40           Penney (J C) Co         40           Pennroad Corp (The)         40           Rights         10           Pennsalt Chemicals Corp         10           Penn Glass Sand Corp         10           Penn Power & Light Co         4½% preferred           4.40% series preferred         100	3½ 4¾ 13% 17 82½ 89¾ 13% 15¼ 50% 57 449 51 41½ 46% 97¾ 99%	28 1/4 30 3/4 4 1/4 14 3/4 16 7/6 90 13 3/4 15 1/2 15 11 1/2 15 11 1/2 15 11 1/2 15 11 1/2 15 11 1/2 15 11 1/2 15 11 1/2 15 1/2 15 11 1/2 15 1/2 1/2 15 1/2	521/4 57	25% 29½ 3¾ 4% 4% 15¾ 19½ 95 13¼ 14% 50 53 50% 51¼ 46¾ 46¾ 100 101¾	49¼ 52 51½ 52	271/6 285/6 4 71/2 177/6 191/2 92 943/4 15 161/6 50 541/6 51 53 471/6 491/2 1001/2 1041/4 983/4 1001/2	275% 33½ 53% 65% 177% 191½ 91½ 94½ 15½ 16½ 52¼ 63½ 57½ 46¾ 49¾ 102¼ 103¾ 99 100%	3034 36 5½ 834 1836 2314 9214 9814 1636 1736 61 74 5614 6034 4736 4836 9914 103 9914 10014	32¾ 35 6% 8¾ 20¾ 23% 94 99¾ 17½ 18% 66¼ 70% 58½ 62 46 49½ 94¼ 100¼ 92½ 99½	34 38¾ 6% 8% 36 1 21½ 23¾ 95½ 99¾ 16¾ 18½ 66¾ 71¾ 62¼ 65 46½ 49¾ 96¼ 99¾ 92¾ 95	70 75 1/2 61 3/4 63 48 56 55 3/4	35% 37% 6½ 7% 6½ 7% 20% 22½ 105¼ 113
Pennsylvania RR Co	28% 31½ 5 37 40% 0 34 37 0 19% 22¼ 50 53 5 0 95 97 1 14% 15%	11½ 13¼ 31½ 32½ 39% 42½ 33 36 21¾ 22¾ 51½ 53 97 98½ 14½ 15¾ 3¾ 3¾ 3¾	40¼ 44¼ 32½ 36 21¾ 23⅓ 51½ 52 100¼ 101½ 14¾ 15⅓	11½ 13% 32 34¼ 43½ 47 36 40 22½ 24⅓ 51½ 54 101 101¾ 14¾ 16 3% 5	12 12% 34 36 44% 48% 40 44 23% 25% 52½ 56 100 102 153% 163% 4% 4%	12¼ 13¾ 35% 35% 45% 48½ 48½ 44¾ 65 23% 24% 50¾ 53½ 100 100½ 16% 4% 4%	12½ 14¼ 35% 35% 46 48¼ 58 60½ 22% 24% 51¼ 53½ 95½ 100½ 4 17% 4 ¼	13% 14% 36 38¼ 42% 47½ 55 59½ 23¾ 24¼ 525% 64 17% 3¾ 4	14 17% 37% 38% 43¼ 46% 54% 69% 69% 69% 69% 17 18% 3% 4%	15 17 38 1/4 41 3/4 44 1/2 47 3/4 60 69 78 63 66 95 96 1/4 17 1/4 18 3/4 4 1/8	46% 50 65% 68 24% 26% 67 83% 95% 99%	1634 1936 4134 4334 4832 5134 61 6632 2536 27 80 8334 4032 4132 9836 100 1736 1836 376 436
Pfizer (Chas) & Co Inc       4% 2nd preferred (cony)       100         Phelps Dodge Corp       12.5         Philadelphia Electric Co       \$1 convertible preference common         4.40% preferred       10         3.80% preferred       10         4.30% preferred       10         4.68% preferred       10	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	54 1/a 59 1/6 94 95 39 1/2 42 1/6 39 1/4 40 21 21 3/4 101 1/4 104 89 1/2 93 1/2 97 1/4 100 1/4 104 104 3/4	39 39% 21½ 22 102½ 105¾ 89 92 97 98	60 65% 99 99½ 41% 45% 39% 40% 22 23 103 106 90 92½ 103½ 101½ 103½ 106	22½ 23 104 107¼ 90¼ 92¾	64½ 71¾ 99 100½ 46¾ 50 40¾ 42 22⅓ 24 103½ 105 90¾ 92¾ 100 102 105¾ 107	68% 77 99% 99½ 48½ 53½ 41½ 23 103½ 106 88 92¾ 99 101½ 105 107	68 <sup>3</sup> / <sub>4</sub> 75 <sup>3</sup> / <sub>6</sub> 99 <sup>1</sup> / <sub>4</sub> 99 <sup>1</sup> / <sub>4</sub> 51 <sup>3</sup> / <sub>6</sub> 43 <sup>1</sup> / <sub>6</sub> 41 <sup>3</sup> / <sub>6</sub> 43 <sup>1</sup> / <sub>6</sub> 21 <sup>1</sup> / <sub>2</sub> 22 102 105 81 92 96 <sup>1</sup> / <sub>2</sub> 99 103 104 <sup>1</sup> / <sub>2</sub>	72½ 86¾ 93¾ 98¼ 52½ 57¾ 42 43¾ 20½ 21¾ 96¾ 102½ 81½ 88½ 95 98 100 103½	82¼ 94 94 96 55% 63% 42% 44¾ 21 21% 96½ 100½ 82¼ 84½ 94½ 96½ 100½ 102½	96½ 101 81¼ 83½ 92 94	95% 111 95 96 57% 61% 44% 50% 20% 21% 98% 101 82% 87 93 99% 102% 104%
Phila & Reading Corp— Philco Corp————————————————————————————————————	$egin{array}{cccccccccccccccccccccccccccccccccccc$	29½ 32 14 15% 61½ 64 46% 51% 81½ 84% 78 85 36% 40% 7% 8½	62½ 64¾ 48¾ 53¾ 86 89 84¾ 80 36¾ 38¾	33½ 38¼ 14 15% 62½ 65 49 50% 84½ 85½ 36% 40% 83% 9½ 97 97	14% 15% 62 63% 50½ 55¼ 85 85 83% 84 39 40½	38% 40½ 15 16% 62 64 50% 55½ 84% 85 83½ 83½ 40¼ 43% 9% 10% 96	40% 45¼ 19¼ 19¼ 62¼ 63½ 50% 52% 82 83 47½ 91½ 10% -	43 1/8 47 7/8 17 5/8 19 1/4 63 65 51 1/2 53 3/4 79 82 1/2 81 82 45 3/4 48 1/2 9 1/2 10 1/8 96 96	48 55% 18% 22% 63 66½ 53% 56½ 76 78% 77¼ 77¼ 45 48¼ 10¼ 12½	51% 71% 24 21% 24 66 67% 58 78% 58 78% 79% 78 43% 47% 10% 12 95% 96	22 1/8 26 1/8 67 71 1/2 56 3/4 61 79 1/2 80 1/2 77 1/4 77 1/2	62¼ 69% 26% 68¼ 71° 59 62 79 81 77½ 78% 44¼ 49¼ 10¾ 11% 96 96
Pillsbury Mills Inc. 2  \$4 preferred Piper Aircraft Corp. Pitney-Bowes Inc. Pitts Coke & Chemical Co. \$5 convertible preferred. 4.80% preferred (convertible) Pittsburgh Consolidation Coal Co. Pittsburgh Forgings Co. Pitts Ft Wayne & Chi Ry Co.  10  7% gtd preferred.	90 93 1 14 15% 2 53½ 58½ 0 16½ 19½ 82¾ 87 • 84¼ 88 1 30½ 33¾ 1 14¾ 15%	46 \\ 49 \\ 94 \\ 2 \\ 94 \\ 2 \\ 15 \\ \ 6 \\ 16 \\ \ 52 \\ 2 \\ 59 \\ 46 \\ 17 \\ 83 \\ \ 2 \\ 86 \\ 87 \\ 86 \\	15% 18% 54¼ 60½ 17% 18% 85 89 90½ 30% 32¼	49 % 54 % 95 97 17 18 % 18 % 18 % 18 % 92 89 % 91 % 128 132 %	96 98 17¼ 19% 60 64 17% 18½ 90 90 91 95 14½ 15%	54 <sup>3</sup> 4 56 <sup>3</sup> 4 97 <sup>3</sup> ½ 100 <sup>3</sup> ½ 18 <sup>7</sup> 6 22 62 67 <sup>3</sup> 4 17 <sup>3</sup> 4 19 <sup>3</sup> 6 89 93 <sup>3</sup> ½ 95 <sup>3</sup> 4 98 14 <sup>3</sup> 6 15 <sup>3</sup> 4 130 <sup>3</sup> ½ 135 131 134	55% 60¼ 95½ 99½ 20 20% 65½ 74½ 90 99½ 97¼ 99¼ 14% 16% 132 133½ 132⅓ 134	56 \( \) 59 \( \) 6 \( \) 95 \( \) 20 6 \( \) 21 \( \) 21 \( \) 89 \( \) 4 99 \( \) 14 \( \) 17 \( \) 2 130 \( \) 132 \( \) 34	130 130	56 65 1/4 93 95 3/4 19% 23 1/4 79 92 1/2 19% 22 3/6 89 91 94 1/2 96 3/4 15 1/4 17 130 1/2 133	88¾ 92 21¾ 24½ 87 100	62¾ 74¼ 89½ 91½ 21 23¾ 90 98½ 19½ 22¼ 90 93½ 14¾ 15½ 133 133 133 135
Pitts Metallurgical Inc	0 69 73¼ 6¾ 7¼ 0 14¼ 16₹ 0 62 6₹ 0 69 73 0 195% 223% 0 120 120	7 7% 14½ 16½ 67 68½ 70½ 74 20½ 22%	71 78 7 7½ 14% 16¼	16% 18% 68% 74 6% 7¼ 14½ 15% 63 67 71 19% 21% 119 42½ 45% 74 76	69¼ 74¾ 6⅓ 7¼ 15⅓ 16⅙ 65 65 69∜ 71 17% 21¼ 118 120	18 20½ 68½ 72½ 6 6½ 15¾ 17¾ 63¾ 65 68½ 69¾ 17% 19½ 117 120 49¾ 54¾ 83 88	71½ 78% 6% 6¾ 15% 20¾ 65 69% 69½ 77 17½ 19¾ 125 125	21½ 23% 73½ 81 6¼ 6¼ 6% 18% 20% 67% 69% 72½ 76 19% 20 113% 116 59 66% 98½ 98½	66 70 74½ 77 19¼ 24¼ 117 118 60¼ 66½	23½ 28% 73¾ 80¼ 6% 7% 20½ 27% 68¾ 73 76½ 80 20¾ 22½ 118 121½ 63¾ 73¼ 98 108	74¼ 79% 6¾ 7¼ 19% 22¼ 70 72⅓ 75 76½ 20 22 122 123	22¾ 25¾ 73 77¾ 6% 7½ 20½ 24% 70 72 74 78¾ 19½ 21½ 123½ 125 69½ 77¾ 104 113¼

#### NEW YORK STOCK EXCHANGE STOCK RECORD — 1958 1958 December Low High August Low High May Low High April Low High STOCKS 3534 2936 89 34 271/2 853/4 1/8 225/8 39½ 32¼ 109% 1⅓ 25% 34% 27 95 1% 22% 32% 25 66 37 271/2 69% 3858 2934 10938 34¾ 27½ 69 31% 25¾ 61 Plough Inc Plymeuth Oil Co.... Polaroid Corp... Rights Poster & Oo. Poster Co Inc... 31 1/4 24 1/2 57 1/4 33¾ 28¾ 64¾ 25 23% 65% 31% 201/4 261/4 513/4 15a 245a 273/4 26 211/4 171/2 18% 19 18% 221/4 201/2 181/2 20 18 19% \_10 16% 201/2 17% 18% 88% 25% 90 281/4 26% 24 2534 25 23% 25% 23% 24% 23% 25% 24<sup>3</sup>/<sub>4</sub> 25<sup>3</sup>/<sub>4</sub> 19/64 25% 26 23% 24% 24% 22% 341/4 231/2 71½ 47 35½ 27¾ 82 83½ 86¾ 102 73% 761 46% 500 37% 385 26% 291 82% 85 83% 858 86% 90 100% 102 76½ 50¼ 3858 29½ 85 85% 90 671/6 471/4 347/6 281/2 88 901/2 921/2 1013/4 66¼ 46¼ 34¼ 275% 82 84 86 101¾ 731/2 491/4 36 287/8 85 78% 49¼ 39 29¼ 84% 36 88½ 104¼ 641/4 441/2 331/2 27 86 89 911/2 100 61 1/6 44 1/2 34 1/2 28 1/4 96 1/2 91 1/4 95 105 68 1/4 45 1/6 35 1/6 28 3/6 92 92 1/2 96 105 1/2 68 ¼ 46% 36% 29% 92½ 92¾ 97 107 64% 44¼ 34¼ 27½ 89 90% 94 100¾ 581/4 491/4 321/2 281/2 93 921/2 95 59% 46 32% 27% 89 90% 95 58½ 44¼ 35% 29 90 90½ 95¾ 105¼ 61 1/3 48 36 3/4 29 7/6 92 93 1/4 97 1/4 107 55 45% 31% 27% 91 92 91% 58% 44% 32% 27% 91% 92 91% 611/4 481/4 35 287/8 92 95 98 1071/2 58¾ 45 36¾ 28¾ 89 90% 96 105¾ 603/4 47% 331/4 281/2 911/2 92 95 62 48% 36¼ 30½ 91½ 93½ 97½ 107¼ er & Gamble Co-c Service Co of Colona e Service Else & Gas 60 div preferred comme 421/4 293/4 263/4 851/4 891/4 921/4 47 321/4 277/6 91 90 96 86½ 91 41½ 74¼ 22 21¾ Public Service Co of Indiana Common rights 3%% preferred 4.32% preferred 4.16% preferred 4.80% preferred 4.80% preferred Publicker Industries Inc. 44.75 preferred Publicker Seund Power & Light Co. Pullman Inc Pure Oil Co (The) 39 % 70 ½ 21 22 39% 411/8 4334 42% 46 42 40 78 23 1/8 22 1/2 40% 431/4 4014 431/4 40% 41% 411/4 37 39% 37% 38% 3734 39 1/2 38% 73½ 22¼ 22¼ 22 73 22½ 701/4 211/4 201/6 73 1/2 22 21 1/2 70½ 21¾ 721/2 223/4 75 231/4 22 117 751/2 221/2 78 23 21% 113 80% 23 22% 117 80 1/4 24 23 77 23% 23% 77¼ 23¾ 22½ 78 24 1/2 23 76 23¾ 23 79 24 231/4 78 24 221/2 80½ 24 23 79 24½ 23½ 21 2113 111 12 80½ 29 56¼ 40 105 11 7834 2914 5454 3936 10834 11176 1036 1236 79 81 2994 3174 5474 60 3936 4186 109 1/4 12 3/6 80 31 1/4 59 3/4 40 3/4 11312 9% 77 28% 56% 37 9% 77¼ 29 56¼ 38 13% 80 29% 58% 39% 8% 73¼ 31% 52% 37% 11 80 31% 58½ 39¾ 111% 80 30% 59% 40% 151/4 85 351/4 5% 67% 20% 43% 30 8 1/4 68 1/4 28 1/4 49 3/4 32 9/4 61/4 671/4 271/4 47 29 7% 72 28% 49% 63/4 703/4 273/4 47/4 293/6 81/4 72 291/6 481/4 341/6 71/4 701/2 281/6 463/4 313/6 8% 72 29% 51% 36% 8% 74 30% 51% 34% 81/4 721/2 291/6 52 343/4 Q 43% 45¼ 133 140% 23% 25 44½ 49¼ 133 137 23% 24¾ 44% 50% 131 134 23% 24% 49½ 52 131 133½ 23¾ 24% 48½ 51½ 131 135 23½ 25% 43¼ 45% 139 143 23 28½ Quaker Oats Co (The)\_\_\_\_\_\_ 6% preferred Quaker State Oil Refining Corp\_\_ 37% 39% 136 143 24 26 38% 43% 138 140% 25% 27 40¼ 43½ 140 146½ 26¾ 28 \_\_\_\_8 \_\_\_100 \_\_\_10 R 41% 70¼ 21¼ 55% 19 53½ 21% 32¾ 29½ 34 70 19 52 19 32½ 20% 32½ 27 30 % 70 ½ 20 % 54 ½ 22 ½ 40 ¼ 23 ½ 33 29 ½ 30 1/4 69 1/6 17 1/4 49 1/4 21 1/6 23 1/6 32 1/2 26 1/8 35 74 1/4 18 52 17 24 5/6 24 1/4 28 3/4 32 74 16½ 47 14% 25% 19½ 33 26% 36¼ 71¼ 20% 54¾ 21¼ 36% 22 34 28¼ 35 1/6 69 1/6 19 3/6 52 1/4 18 5/6 36 3/4 20 5/6 32 27 1/2 35 74¾ 19¼ 52 16% 23¼ 25¼ 34¾ 28¾ 33% 73% 18% 52% 17% 24% 23% 33 30 38 1/4 69 3/4 20 1/2 55 1/4 18 3/4 49 1/2 21 3/4 32 1/2 28 35% 75½ 17% 50¼ 16% 28¾ 22% 34 27% 36½ 73½ 19 52 20¼ 35¼ 21% 33½ 27¾ 42 % 72 ½ 22 % 58 ½ 21 ¾ 54 ¼ 23 ½ 33 % 29 ½ 48¼ 72 24½ 57¾ 23¾ 69 23¾ 34½ 30½ Radio Corp of America \$3.50 1st preferred\_ Rance Ino\_\_\_\_\_ 37 8914 1976 5215 18 3814 2136 3214 2836 43 2016 4236 30% 71 16% 45% 14% 24% 21% 32 26 36% 75½ 17% 50½ 18% 35½ 22% 34 27% 36 19% 43% 32% 75¼ 17½ 51½ 15% 26¾ 23% 32% 33% 72 17 49 15¼ 28 19% 33½ 25¾ 35½ 17½ 7% 31½ 34% 70% 17% 48% 16% 30% 19% 31% 27 32 1/4 72 1/4 17 50 1/4 21 1/4 22 32 1/4 27 % 31¾ 70% 17¼ 51 15½ 21% 22 32½ 27¼ 72 23¼ 60¾ 21½ 57¼ 22% 33% 29 52 22¼ 47¾ nier Inc. 1814 20 834 421/2 19 9 41% 21 13¾ 46¼ 21½ 10 47% 191/2 103/4 425/6 191/4 191/4 19 1/8 7 1/8 19% 20% 7% 19% 17¼ 6¾ 23 % 10 1/4 51 1/2 20 1/a 8 1/a 42 5/a 2038 17% 221/2 19 25% 10 47% 12% 59% 81/8 534 13% 41½ 17 55% 26 634 12½ 56% 6% 16% 46 18% 57% 29 7% 13 62% 61/4 141/2 421/8 181/2 581/2 283/8 71/8 131/4 581/4 3 1/6 13 1/6 31 21 54 16 1/2 5 9 1/2 39 9/8 534 1534 46 17% 5514 2516 8½ 16% 50¼ 19% 5 14 1/6 35 21 1/8 56 20 1/4 7 1/6 11 1/8 43 1/8 5 13% 33% 21% 57 22% 6% 10% 44% 5% 14% 34% 17% 57 26% 6% 12 6½ 15½ 44¾ 17¼ 6% 13% 34 21% 54 21 41/a 131/a 321/a 201/4 563/4 183/4 10 7 13% 34 22 60 28% 6% 12% 5 13¼ 32% 19¼ 58 25% 6% 12⅓ 61/4 13% 33% 211/2 57 231/4 6 101/2 411/4 5½ 13¾ 39¾ 17¾ 57½ 6¾ 12% 52¾ 4% 13% 32% 20% 54% 17% 6% 41% 4% 12% 32½ 20½ 56¼ 20% 5 5 1/4 12 3/4 32 3/6 20 1/2 59 21 5 1/4 10 41 1/4 7¼ 14¾ 36¾ 21¼ 60¾ 29½ 7¼ 12% 48¾ 15 40¼ 19¼ 59½ 28% 7 12¾ 18 501/4 191/4 571/2 281/6 71/6 26 1/8 63/4 12 1/8 64 1/8 28% 9½ 14½ 71¼ 30½ 39 22¾ 62 62¾ 45¼ 84½ 35 1/4 44 9/8 30 9/6 70 1/4 64 1/6 47 1/6 89 9/4 34 41 1/2 27 1/2 36 1/8 46 29 393 22¾ 25¾ 8⅓ 32¼ 29% 29% 10 36% 24% 27% 9% 35% 29 29% 12¼ 38¼ 24¼ 28 11% 37½ 27% 33¼ 14 45 22% 30 12% 37% 26% 33% 14% 39% 22 1/8 30 1/2 14 1/4 37 1/2 23 29% 14 39% 24% 33% 16% 42 24 31 1/8 14 7/8 40 3/8 2934 33½ 16¼ 52½ 281/4 327/8 161/4 511/8 30¾ 38¾ 19¼ 56% 29 1/4 36 1/6 18 1/2 31% 44% 26¼ 67¼ 38% 47% 30% 24½ 32¼ 16¼ 40% 541/2 331/4 2.50 66% 45% 84% 63 1/2 45 84 70 45¾ 90¾ 781/a 471/2 903/4 76% 100 82½ 100½ 13% 46 1/4 90 1/6 100 83 1/4 102 43% 65% 83% 82% 98% 11% 41% 63% 45 1/4 69 3/4 83 1/6 86 1/2 99 1/2 13 3/6 443/4 741/2 46% 77 44 67 45 721/4 43% 71% 45 751/2 44¾ 73¾ 45% 72% 46% 44 ½ 72 % 47 76½ 46 78 781/2 943/4 101/2 84 99 11% 82 9734 1334 82 % 98 % 13 % 87% 102% 12% 86% 101 14% 841/2 100% 141/2 833/4 102 85 98 1/2 11 1/a 86½ 101½ 12% 861/2 100 111/6 83 1/4 98 12 3/4 81% 801/2 8134 8114 83% 8234 1416 181/2 20% 15% 14% 151/2 1514 thodesian Selection Tr Ltd...5 shillings 2 1/6 64 3/6 1% 55 1% 55½ 1½ 22% 23½ 21/4 85 21/4 25/a 96/2 1093/4 1% 57% 2% 64% 1% 24% 34% 21/6 21/4 84 1/2 2% 3 85¼ 92% 2 1/2 63 1/2 2½ 95¼ 61% 2% 73% 2% 97% 911/2 Rights Rights Rights Rights Robert Corp American shares Robertahaw-Fulton Controls Co com. 1 51/2 Convertible preferred 25 Rochestor Gas & Electric Corp Rockwell-Standard Corp 5 63 1/2 1 1/3 24 3/4 29 3/4 19% 23¼ 31¼ 22 283/4 353/6 26. 31 1/4 271/4 351/2 27% 34% 30% 281/4 331/2 301/a 36% 29 % 33 % 33% 31% 33¼ 32½ 3434 36% 3614 38 221/4 291/6 281/4 225/6 4 1/4 24 1/9 31 1/4 27 3/6 23 29 30¾ 25 4 1/2 26 1/2 28 3/4 34 1/2 27 41/4 251/4 29 313/4 271/4 231/4 30 31% 25% 4% 23 29% 32% 24% 43/4 243/4 313/4 361/4 263/6 4 1/4 23 1/6 28 1/2 35 1/4 25 1/4 25% 31 36% 26% 4% 26% 32 37% 28 41/4 243/4 28: 33% 261/4 4% 27% 26 37% 28% 5 1/8 29 1/2 32 36 1/8 28 3/8 41/2 27 291/2 34% 27% 434 2934 32 36 2954 4% 27% 29½ 33¾ 28% 5% 29% 31 38% 30% 26% 31% 33% 26% 29 34 37% 27% 3514 3434 4114 2938 32% 34 39% 30% Rohm & Hass Co common 20 4% preferred series A 100 Rohr Aircraft Corp 1 315 353% 90 96 22% 25% 315 3351/2 351 345½ 400 94½ 96 26½ 29½ 403 447 90 91 28% 33% 3151/2 339 357 401 4111/2 505 312 375 3511/2 J84 3781/2 4053/4 465 350 4311/2 465 94½ 96 28% 29% 90 34% 22% 92 37% 25% 32% 93 94 251/2 90 91 32% 37% 24% 25% 29% 30% 281/2 321/4 25% 27 29% 30% 18½ 20¼ 8¼ 9½ 38% 42 16% 18% 34½ 37¼ 9¼ 10¼ 20 81/4 161/2 461/4 771/4 353/6 91/2 20 8% 16% 46% 18¼ 35% 9½ 22 8% 14¼ 46¼ 19¼ 37% 10 21½ 23% 8½ 9½ 15¼ 16% 43¼ 46% 19 21½ 38 40¼ 8% 9¼ 22 9 16% 49% 20% 37% 21 % 8% 14% 46% 19% 35% 201/4 7% 131/2 411/4 17% 343/6 87/8 245% 936 1834 5156 2514 3958 1034 25 121/4 191/6 531/4 245/6 403/4 103/8 20¼ 7% 13¾ 43¾ 16¾ 34½ 8¾ 21 81/6 133/4 431/6 187/6 365/6 87/6 2334 936 1732 4636 2032 3936 936 23¼ 8% 15% 46¾ 20¼ 37¼ 9% 17% 7% 14% 40 16 32% 9 18¼ 7% 15 43 16 32½ 8½ 25 101/4 181/4 46 21 38 /8 9 46 20% 8% 37% 1% 17% 33% 9 10% 41% 1% 21 37% 9% 115 a 201 a 503 4 37¼ 1 18¾ 30¼ 8 40% 1.8 20% 34 9% 251/4 401/4 115/8 S Safeway Stores Inc. 24 1/2 84 3/4 161 22 3/4 24 25% 89 164 26 26% 25 1/6 87 3/4 185 22 3/4 25 1/4 29¼ 90 185 27 26% 27% 89% 180% 23% 25% 30 31¼ 92¼ 93¾ 195 197½ 24½ 26% 26% 28½ 30¾ 92 197½ 25¾ 26% 29 911/4 1931/2 23 26 31% 93½ 201½ 25% 27% 4134 8634 23014 3434 3112 29½ 92 200 25½ 27% 31% 95% 200 28% 29% 28% 90% 191 26 27% 30% 93% 191½ 29% 28% 29% 86% 28 27% 3514 88 3134 2816 3434 921/2 32% 85 30% 27 34% 86% 351/4 30% 33 1/2 85 224 31 3/4 29 5/8 36% 8734 2331/2 35% 30% 101/a 531/4 131/4 571/2 10% 55% 133/4 581/4 10% 54% 13 61 1/4 19 6634 11 53 14% 61 15% 65 19<sup>1</sup>/<sub>4</sub> 68<sup>3</sup>/<sub>4</sub> 21% 17¼ 66 21% 73 18% 69 211/4 St Louis Southwestern Ry Co. 55 non-cumulative preferred. St Ragio Paper Co. dat preferred 4.40% series A. San Diego Gas & Electric Co. Sangamo Electric Co. Savage Arms Corp. Schering Corp. 5% convertible preferred. 235 30% 93 2214 3214 12% 1812 33% 34 240 32% 95¼ 23% 25% 10¼ 22 36% 35 245 3134 9334 2234 2636 1034 2136 3636 3536 245 3334 96 2334 2932 1136 2336 4134 3534 361/4 95 221/6 261/4 11 271/6 391/6 361/4 325 215 38% 94% 22% 27 12% 30 41% 35 369 39% 96 23% 27% 13% 33% 44% 36 375 215 40½ 95 24% 28% 14% 39% 46% 37 235 260 261 235 245 235 240 245 375 4334 94 2534 33 143 4256 5458 261/4 90 203/6 34 133/4 185/6 323/6 341/2 31% 93 22% 34% 14% 20 36% 35 40 93% 23% 27 13% 36% 45 36 32% 94 23 34% 13% 20% 39% 34% 451/2 941/2 267/8 283/4 143/4 481/8 511/6 375/8 34% 96 24% 28% 11 24% 38% 35% 28% 93½ 22% 32½ 12 19% 37% 34% 33% 95 22% 25 10% 22% 37 35 46% 97 26% 36% 47% 61% 46 28% 94 23% 28% 10% 21% 38% 34% 33 1/4 96 24 32 3/4 12 3/6 22 5/6 43 35 3/6 31% 95 24 33¼ 12% 23¼ 44¼ 35¼ 42% 96¼ 25% 27% 13% 42 47% 37% 38% 96 23% 27% 11% 28 41% 35% 46 97 26% 33% 14 46% 58% 45

MOTE: All stock footnotes shown on page 17.

STOCKS	January Low High	February Low High	March Low High	April Low High	May Low High	June	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Par   Schick Inc	121/6 141/6 577/8 601/6 78 84 94 991/2 211/6 271/6 777/4 80 211/2 241/2 171/2 191/8 535/8 631/2	12½ 13¾ 55¾ 61¼ 80 83 94 96½ 21½ 28 81 81 21½ 24½ 18¾ 19¾ 51¼ 58¾ 10⅓ 11¾	1034 1214 61 6434 80 82 96 9714 2114 2234 8142 84 2176 24 1914 2012 5514 61 10 1014	8% 1134 61½ 64½ 81 83¾ 96½ 98 20 22¾ 85 85½ 21½ 24% 18¾ 20 60¼ 67 9 10¾	9% 10% 62% 65% 81% 84% 96% 98 19 20% 81 81 23% 26% 18% 20% 63 67% 10% 10%	9 10¼ 65¾ 68 82 84 97 98½ 19 20¾ 81½ 81¾ 25¾ 27¾ 19¾ 20¾ 66 66¾ 10¾ 11¼	9 1034 64½ 67% 84 86 97 99 19% 22¼ 2634 30¼ 19% 20% 10% 13%	934 1036 67 7136 8142 8232 9634 97 22 25 82 82 2936 3436 1936 2236 1134 1236	10½ 12 68½ 70¼ 77 78½ 22 26¼ 78 79½ 33¼ 39¾ 21¾ 23¾ 12½ 16	11 14% 67% 70 75 79% 92 95% 23% 28% 72% 76 34 37% 21% 23% 13 14%	121/2 161/4 691/2 741/2 75 771/2 94 951/3 223/4 253/4 71 741/2 341/3 38 211/3 221/4 123/4 141/2	13 ½ 15% 71 ¼ 74% 78 79 ¼ 94 95 ½ 22 ½ 24% 73 ¼ 75 35 ¾ 38% 22 ¼ 25 13 ¼ 14%
Sealright-Oswego Falls Corp	25 26% 11¼ 12¾ 4% 5¼ 67½ 76 8% 13% 27¾ 30% 26 31 8¾ 6¾	25¼ 27 26¾ 27⅓ 11¾ 12 4½ 5⅓ 71¼ 79 10⅙ 12% 26% 31 27 20% 8¾ 9⅓ 58 64	2636 29 2636 27¼ 11 1136 4¼ 5½ 68½ 81 10½ 12¾ 28¼ 32½ 26¼ 29¼ 83¼ 936 60¼ 70¾	27% 30% 27% 10% 111% 4% 7 81 90 11% 12% 29% 34 25% 28 8% 9% 66% 71%	30% 32% 27¼ 29% 10% 12% 6¼ 8¼ 85 89½ 11 12½ 32% 35% 26¼ 29% 8% 9¼ 71 77¼	32¼ 34¼ 29 29¾ 11¼ 11% 6% 9 82 88½ 12 15% 35¼ 37½ 26¾ 29% 9 10½ 71% 77	32% 37% 29% 30% 11% 12% 7% 10 81% 87% 16% 37 39% 26% 34% 10 11% 75 83	34 36% 30% 34% 13 13% 7% 9% 82% 88% 14 16% 37% 40 31% 34% 9% 11% 80 85	33% 37 31% 33% 13 16% 7% 9 81% 83% 13% 15% 37% 39% 31% 37% 31% 37% 80 84%	36% 42% 32% 34% 15 17% 73% 11 80 88% 13% 15% 37% 42% 33% 39% 10% 12% 80% 85%	37 4416 34 3734 1694 1616 9 1014 86 94 1296 1434 4114 4614 3436 3976 12 1596 7514 8516	42¼ 48½ 36¼ 40 17¾ 19¾ 99% 11 91½ 110 13¼ 15% 41¾ 46% 36 38¼ 135% 17 78¾ 85¼
Shell Transport & Trading— New York shares ordinary £ Rights Sheller Mfg Corp 1 Sheraton Corp of America 50c Siegler Corp 1 Signode Steel Strapping Co 1 Simmone Co 6 Simonds Saw & Steel Co 6	14% 16%	17% 20% 34 14% 16% 10% 11¼ 13% 15½ 23% 24% 38 40% 54¼ 58%	17½ 19½ 16½ 15½ 16½ 10¼ 12¼ 14¾ 14¾ 23¼ 25½ 38 41 55 57½	18¼ 21¾ 15¼ 15¼ 11 12 13½ 14¼ 22 24 37¼ 40 55¼ 61	20 21% 13½ 15¼ 11¼ 13 13¼ 14¼ 22¾ 27¼ 38½ 39% 67¼ 60	20¼ 21% 13% 14¾ 12% 14 12% 14 12% 27¼ 36% 38% 56 61½	18% 21% 15% 13% 13% 14% 26% 31 37% 40% 60% 64%	19% 21% 14% 17 13% 15% 13% 15% 30% 31% 38% 41% 60% 64%	19% 21¼ 14¾ 20% 14¾ 16¾ 14¼ 17¼ 31 35 39% 41% 62½ 66¾	21% 23% 16½ 20% 15% 18% 16% 33 33 37 40 43 66 70¼	21½ 23½ 17 19 17½ 21½ 18¾ 30¾ 35¾ 40 42½ 50½ 64 69¾	20% 22% ————————————————————————————————
Simplicity Pattern Co       1         Sinclair Oll Corp       5         Skelly Oll Co       25         Smith (A O) Corp       10         Smith-Corona Marchant Inc       5         When issued       5         Smith-Douglas Co       3         Smith Kline & French Labs       33½c         Socony Mobil Oil Co Inc       15	14% 16% 58% 66%	46% 51% 48 54% 27 28% 17% 19% 15 16 64% 68% 45 60%	46% 51% 46% 59% 20% 28% 17% 18% 15% 16% 66% 71 45% 50%	49% 54% 54% 58 ½ 25% 29% 15% 18% 15 16 67% 73 47% 52 ½	53¼ 56¾ 55¾ 59 28¼ 33¾ 15¾ 17½ 71 75¼ 48½ 51%	55¼ 60¾ 56¾ 63¾ 32 34¾ 16¼ 18¾ 18¾ 18½ 16% 18 74¾ 79 48¾ 51½	5734 6236 6094 6832 3336 3636 1736 1834 1634 1834 7834 92 4636 5236	17% 18% 63% 64% 70% 34% 37% 17% 19% 18 19% 84% 89% 47% 50%	16% 18 59 61% 65% 72% 36% 39% 18 22% 18% 23% 85 92 46% 49%	17% 18% 59% 61% 64% 71% 36 41% 23% 23% 90 95 47% 51%	181/4 193/4 591/4 633/6 043/4 701/4 381/4 437/6 201/6 22 21 233/6 91 107 471/4 501/6	18% 20% 60% 66% 63% 69% 39% 46% 20 22% 22 25% 103 110% 46% 49
Solar Aircraft Co	20¾ 24 47¾ 49¼ 25¾ 28¼ 32½ 34½ 49¾ 52¼ 24¾ 26¾	16% 18 7% 8% 23 24% 47% 51% 27 28% 34% 34% 34% 51% 51% 51% 51% 26% 27% 29%	15% 17 7% 8½ 23% 25 34 50 50¾ 	15½ 17¼ 7¾ 9½ 24½ 26¾ 49¾ 50% 26 28½ 32% 35¼ 54 57¼ 28¾ 29¾ 30% 32%	16 1816 836 912 2614 27 49 52 2634 2836 35 36 5436 5612 29 2976 3212 33	17½ 19% 8½ 9% 26¼ 28¼ 49½ 51¼ 28¼ 35 36 55% 57% 29% 31% 32½ 33¾	17 18 1/4 9 10 1/4 27 28 1/2 50 3/4 51 	17% 19% 8½ 10½ 27% 29¾ 49½ 49% 26½ 30½ 33% 34¾ 53% 31¾ 33% 33% 33%	17½ 18½ 8½ 9½ 27% 29¾ 48% 49½ 36¾ 38¾ 26½ 27½ 34 35 53¾ 56% 29% 32½ 31% 33%	17½ 19 8½ 9½ 28¾ 32½ 48 49 36¾ 38% 25¾ 28½ 34 35¼ 54½ 56 32½ 34½ 32½ 33%	17% 20% 7% 8% 31% 34% 49 37% 39 26 29% 33% 34% 55% 59% 33% 35% 33 34%	18% 21% 8½ 32½ 34% 49% 51½ 39 48% 34% 34% 34% 35¼ 37% 61¼ 35¼ 37% 33½ 35
Southern Natural Gas Co	34% 39% 30 34% 16% 17% 77 77 32 34% 12 14 2% 3% 47 47 53% 59%	33% 36% 40 31% 434% 16% 1734 78 78 32% 34% 13 13% 14 3 3% 48 66 55% 58 90% 90%	34% 36% 39% 39% 31% 35 16% 17% 37% 34% 12% 34% 12% 3% 66 80 53% 59% 91 91%	35% 40¼ 37½ 42% 31½ 38½ 16½ 17½ 76 76 33% 12¼ 13% 2% 4 75 90 49½ 53% 92 92	36% 40% 41% 44% 36 39% 77 77 34% 36% 13 14% 36% 480 90 51% 57% 89% 89%	37½ 39 43¾ 46½ 38½ 42 17¾ 18% 76 77½ 33¾ 15¼ 14¾ 17 3½ 4½ 87 90 54¼ 59½ 91½ 92	38¾ 40% 46½ 52 41¼ 47 17¾ 19 77 77 34¾ 36½ 17¾ 4 5½ 85 95 53 58½ 90½ 91½	38¼ 40¼ 50½ 54½ 40¾ 48 17¾ 18½ 76 76¾ 33¾ 35¼ 17¾ 19½ 5 5¾ 90 95 55¾ 89¾ 89¾ 89¾	38 39% 51¼ 55% 46¼ 50% 17½ 18 72 74½ 34% 35¼ 18¾ 20¾ 5% 6% 85 89 56¼ 65 90 92	39½ 42½ 53% 59% 48½ 53 17% 18 72 72½ 35 37% 20% 22½ 5½ 6¾ 91 95½ 67½ 90 90	39 <sup>5</sup> 6 43 <sup>1</sup> 6 56 <sup>3</sup> 4 62 <sup>3</sup> 6 49 <sup>3</sup> 4 55 17 <sup>3</sup> 6 18 <sup>1</sup> 2 70 72 <sup>1</sup> 4 36 <sup>7</sup> 6 38 <sup>3</sup> 4 21 <sup>3</sup> 4 22 <sup>1</sup> 2 5 <sup>1</sup> 2 6 <sup>1</sup> 2 60 67 87 90	40¼ 44¼ 59% 65¾ 50¾ 56 17% 18¾ 70 18¾ 22 22% 6¼ 7¾ 90 90% 57% 61¾ 87 89¼
Spencer Kellogg & Sons Inc	18% 20% 85½ 94½ 94½ 91% 11 62½ 68 21% 45% 77½ 81¼ 6 8¼ 3 3¼ 6	13% 14% 18% 20% 90 93 10% 65% 67% 22% 43% 46% 78% 3 3% 43% 43% 47%	12% 13% 19 90 91¼ 12¼ 14¼ 66 70% 22½ 24% 47% 45¼ 47% 3 3 % 43½ 47	1234 14½ 17¼ 18⅓ 90¼ 91½ 1234 14½ 70 72¼ 21¾6 23¾6 47¼ 53¾6 80¼ 84¾ 7¼6 8¼6 3 3⅓6 6 50¼4	13% 14% 19½ 90½ 95 13% 74½ 21¼ 23¼ 50½ 83¼ 85½ 7¼ 8% 3 3¼ 48 50%	13½ 16¾ 18 19% 90¾ 93 14% 17% 71¾ 73¼ 20½ 22¾ 51 55¾ 80¾ 8¼ 7¾ 8¼ 3 3½ 48% 53¾	151/4 161/4 181/4 203/6 901/4 921/4 161/4 183/4 731/2 77 201/4 253/6 521/6 55 78 821/2 73/6 93/4 491/6 533/6	15¼ 16½ 19½ 21½ 89¼ 92¼ 17¾ 19½ 75 79¼ 23¼ 26¼ 50 55 74 80¾ 9¼ 10¾ 3 3¼ 49¾ 53	15½ 17½ 19½ 20% 89½ 92 18% 23% 78½ 79% 24 27½ 50% 57% 76% 9½ 10½ 3% 50½ 55%	16½ 17½ 19% 22½ 90¼ 92½ 27% 75½ 79% 24½ 27% 54% 60 74% 76% 9½ 11½ 3 3½ 53 58¼	1684 1884 2076 2444 9016 9216 2175 2776 7614 7834 2434 2876 5784 6116 7516 7716 1186 134 346 3346 5534 6134	17% 18% 22% 25% 94 94 20% 23% 76% 78 27% 31% 60% 60% 3% 57% 57% 60% 60% 60%
Standard Oil Co (Indiana) 25 Standard Oil Co (New Jersey) 7 Standard Oil Co (Ohio) 10 3 % preferred series A 100 Standard Packaging Corp 1 When issued common 10 \$1.60 convertible preferred 20 \$1.20 convertible preferred 20 Standard Ry Equip Mfg Co 1 Stanley Warner Corp 5 Starrett Co (The L S) 5 Stauffer Chemical Corp 10 Stercht Bros Stores Inc 1	48% 51% 44% 68% 91 10% 14% 14% 16% 58 61 68%	35½ 37% 47½ 5134 42% 44½ 91 92 13 14% 40¼ 45¾ 12% 13% 14% 16 57 60 60¼ 64 11¾ 12%	36½ 42 48¼ 5134 42% 48¼ 91 92½ 13¼ 14¾ 43 45% 12% 13¼ 15¼ 16¾ 60 60 61¼ 63½ 11¼ 11%	38 <sup>3</sup> 4 42 <sup>7</sup> 6 50 <sup>5</sup> 6 55 <sup>6</sup> 8 45 <sup>5</sup> 6 48 <sup>1</sup> 2 92 94 12 <sup>3</sup> 6 14 <sup>1</sup> 2 39 <sup>1</sup> 6 45 <sup>1</sup> 8 60 61 <sup>1</sup> 2 59 62 <sup>5</sup> 6 11 <sup>3</sup> 6 12 <sup>1</sup> 6	41½ 44½ 52¾ 55¾ 47¼ 50¼ 94½ 94¾ 12¾ 14% 45 12½ 13 15¾ 17¾ 63½ 11¾ 12½ 11¾ 12½ 12½ 13% 15¾ 61 74¾ 12½ 11¾ 12½ 11¾ 12½	43¼ 47% 53 55% 47% 51½ 94 94% 14% 18¼ 45 54% 17% 66½ 71½ 63¼ 67% 11% 12%	45% 49% 55½ 55½ 55½ 55½ 55½ 55½ 55½ 55½ 66% 16½ 18% 49 56 12¼ 13% 16% 17% 66 69% 65 75½ 12 12%	47% 49% 57% 55½ 58 88 16% 18¼ 49¾ 54¼ 12% 13% 16% 17¼ 66 68 72½ 12%	46% 48% 55% 54% 57% 86% 88% 16% 22% 17 19 50 67 41% 16% 16% 67% 64 67% 64 67% 13% 12% 13%	46% 49% 56¼ 60% 54% 57% 87 89¼ 20 23¼ 20 11% 12% 11% 12% 61¼ 66 79¼ 94 13¼ 13¾ 13¾	45 <sup>1</sup> / <sub>4</sub> 50 56 <sup>3</sup> / <sub>4</sub> 60 <sup>1</sup> / <sub>4</sub> 54 <sup>5</sup> / <sub>6</sub> 58 <sup>1</sup> / <sub>6</sub> 88 <sup>1</sup> / <sub>6</sub> 89 <sup>1</sup> / <sub>2</sub> 22 24 <sup>3</sup> / <sub>6</sub> 67 72 27 <sup>7</sup> / <sub>6</sub> 30 11 <sup>1</sup> / <sub>2</sub> 12 <sup>3</sup> / <sub>6</sub> 17 <sup>3</sup> / <sub>6</sub> 18 <sup>1</sup> / <sub>4</sub> 62 <sup>1</sup> / <sub>2</sub> 66 86 94 <sup>1</sup> / <sub>2</sub> 13 <sup>3</sup> / <sub>6</sub> 14 <sup>1</sup> / <sub>2</sub>	45 1/4 48 54 7/6 59 7/6 54 59 7/6 86 1/4 89 1/6 23 1/6 29 7/6 71 89 29 1/4 33 7/6 11 7/6 13 7/6 16 7/4 18 63 69 1/6 92 16 2 9/4 13 14 3/6
Sterling Drug Inc	17/2 19/3 29 32 15/4 17 10/4 12/4 15/4 16/4 27/4 37/4 20 24/4 27/6 37/4 42 45/4 15/4 19	32 1/6 34 1/4 19 1/6 20 1/4 29 1/6 31 3/6 17 17 1/2 16 3/6 17 39 1/6 43 3/6 21 1/4 23 3/6 3 3/4 39 1/6 42 1/2 17 1/4 18 3/4 10 1/4 11 1/6 79 3/4 81	32% 34% 19% 20¼ 29 30% 17 17½ 16% 17 40 45 21¼ 23¼ 3 3% 41% 46¼ 17 18½ 9¼ 11¼ 80 82	32½ 40¾ 20 22¾ 29¾ 34¾ 17½ 18½ 12½ 13⅓ 16¾ 17½ 42¾ 46½ 22½ 23¾ 3⅓ 4¾ 40 45¾ 16¾ 22 9 10 79¼ 83½	35½ 39½ 20½ 21½ 32¼ 34 18 18% 12½ 14 16% 17¼ 42¼ 45¾ 23½ 25¾ 4 6¾ 44 46¼ 19 21½ 9¾ 10½ 83 83	35¼ 38% 19% 21% 33¼ 35% 17 19% 15% 17% 18% 44¼ 45% 23¾ 24% 6 46 49¼ 18% 19½ 10¼ 11¼ 83 84	37¼ 40% 19¾ 24¼ 35½ 37 18½ 20% 14¼ 15% 17½ 18 44¼ 48¼ 23¾ 24¾ 4% 6 48 54 18½ 23½ 10% 10% 85½	37½ 40¼ 22 24% 36 39½ 19¾ 20½ 15% 17½ 18 47½ 26 5½ 6% 49¾ 54½ 23½ 26 49¾ 54½ 10½ 12¾ 83 85¾	3734 4444 2234 26 3844 3938 20 21 15 16 1674 1776 5136 5544 2456 26 656 10 50 54 2076 2446 1056 1142 8234 8434	40% 44% 25% 27% 39% 42 20% 21 16% 17% 17% 17% 52 56% 21% 24% 8% 16 50% 54% 22% 24% 11% 12% 83% 84	41 46% 25 27% 39% 45% 20% 21% 14% 15% 14% 60% 23% 25% 12% 65% 12% 65% 11% 12% 85 87	46¼ 54 25% 27 42 45¼ 20½ 22 14 15½ 17¼ 66½ 24% 66½ 24% 26% 13% 15½ 62 66¼ 25 26¼ 11% 12% 85 87
Sun Oil Co	22½ 24 31½ 33¾ 72 77½ 6% 9¼ 1490 1680 32 35% 19½ 19¾ 29¾ 34½ 31½ 37%	60 64½ 21 23¼ 22% 23¾ 31¾ 33¼ 75% 81½ 73% 81½ 1360 1590 32¼ 34¾ 19% 20 31¾ 33 34¾ 37½ 80½ 83 7% 8%	62½ 65¾ 21¾ 23¾ 23¼ 24¼ 30% 32¾ 78¼ 83¾ 7¼ 8¾ 1390 1490 31¾ 35 19% 20½ 32¼ 345% 35 36¾ 80 82 7% 8½	59 6434 2214 2476 2414 2514 3214 3476 8134 8414 7 816 1390 1485 3134 3434 2014 22 3314 3534 3436 3614 734 814	59 65 1/4 24 25 3/4 24 1/2 25 1/4 34 34 3/4 82 87 1/2 73/8 83/4 1465 1565 33 1/2 34 3/8 22 23 33 3/6 35 3/6 34 1/2 36 3/6 80 3/6 83 1/2 81/4 93/8	60 65% 24 25% 24½ 25 33¾ 34¾ 85½ 89 7½ 8½ 1480 1625 33¾ 37½ 20¾ 21½ 32¾ 35½ 34¾ 36¾ 80 83½ 81% 9¾	60% 65 25¼ 27% 23¼ 24% 34¼ 34% 85% 90 7% 8% 1590 1760 35¼ 40% 20% 21¼ 33% 35¼ 35¼ 38½ 81 83 9% 12%	64 68 ½ 26 27 ½ 22 ¼ 24 33 34 ¾ 83 ¾ 89 ¼ 7 ½ 8% 1720 1866 38 ½ 40 ¾ 21 ¾ 23 ½ 34 ¼ 38 ¼ 36 ¾ 41 % 79 81 11 ¾ 13 %	64 6634 25% 2634 2236 2234 3334 3434 85½ 87½ 7½ 836 1720 1835 39¼ 42½ 23 25½ 35% 37% 40% 45¾ 77% 80½ 11% 12%	60 67% 25% 26% 22% 23¼ 33 33¼ 85¼ 87% 7% 9½ 1705 1800 38¼ 41½ 23 24 35% 38¼ 43½ 51 79% 82 11½ 13¼	59½ 66¾ 24½ 26¼ 22¼ 23¼ 33½ 36 84 85½ 7% 8½ 1715 1812 36½ 40 23 24 33¼ 38⅓ 56⅓ 57% 61½ 94¾ 11½ 12¼	61 64 25% 24% 22% 24% 35% 38 84% 35% 38 84% 8 1725 1855 37% 39% 23% 29% 32% 36% 54% 67% 93 97% 11% 12%

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# 1958 — NEW YORK STOCK EXCHANGE STOCK RECORD — 1958

	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
T	Lot Aga	/ mga	Inga									
Talcott Inc (James)  Talautograph Corp  Temes Aircraft Corp  Tennessee Corp  Tennessee Gas Transmission Co  Texas Co  When issued  Texas Culf Producing Co  Texas Culf Sulphur Co  Texas Instruments Inc  Texas Pacific Coal & Oil Co  Texas Pacific Land Trust  Ex-Distribution	18% 21 3% 6% 9% 12% 35% 41 59% 63% 22% 27% 15 17%	20¼ 21¾ 5 6¼ 11 12½ 37 41¼ 55¾ 60¾ 23½ 27¾ 15½ 17½ 27½ 29⅓ 24¾ 31 7% 8¾	21 23 ¼ 4 5 5 5 6 11 11 7 8 37 3 4 46 25 ½ 26 ½ 6 57 % 63 ¼ 24 % 29 15 ½ 19 ½ 27 % 30 ¾ 25 ½ 35 ½ 8 % 9 ½	22½ 24½ 4½ 6¾ 11¼ 13¼ 42¾ 46% 25½ 28¼ 61% 68½ 25½ 27¾ 17% 18% 30¼ 35% 30% 34% 8% 9%	23 % 24 % 6% 7 13 14 % 48 ½ 27 % 29 % 63 % 68 % 65 65 26 ½ 29 % 18 ½ 20 ½ 34 % 37 % 32 % 36 % 9 ½ 12 %	23 25 1/4 5 7/6 7/6 13 1/4 14 3/6 48 50 5/6 28 1/6 29 1/4 66 1/6 72 1/4 27 1/4 32 1/2 19 1/2 21 1/2 35 1/6 40 1/4 33 1/6 35 3/6 11 1/6 12 1/2	23 % 24 634 75% 13 14 % 47 53 28 % 30 % 65 % 72 % 29 ½ 34 % 19 ½ 22 % 37 % 44 ½ 33 ½ 37 : 10 % 12 %	23% 24½ 656 7½ 13% 16% 50½ 53½ 29% 31% 69% 73¼ 33% 37 21 23½ 42% 50½ 35% 39¼ 12¼ 13%	24½ 27 6% 8 14% 15% 51 55¾ 30% 32% 70 76¾ 32 35 20% 23¾ 44¼ 47¾ 34% 37% 12¾ 15	27 30 7¼ 8¾ 13¾ 15¼ 53½ 56¾ 31¾ 33¾ 76 82½ 32¼ 36 21½ 23¾ 47 62¾ 33¾ 37¼ 13¾ 33¼ 37¼ 13¾ 16¾	28% 34 7¼ 9% 14½ 17¼ 55½ 58½ 32 35¼ 80% 87 32 36% 21% 24% 58% 80 34½ 39¼ 15 16%	29% 36½ 8½ 9½ 16 20% 55% 317% 36% 83% 89 30 33¼ 21 22% 64½ 86 36¼ 39⅓ 31¼ 21 36% 86 36¼ 39⅓ 89 15% 17¼
Texas & Pacific Ry Co	44½ 50 10% 12% 15% 17% 5 22½ 24½ 55% 55% 58½ 10½ 14¼ 0 42% 50 46% 55¼	106 120½ 46¼ 48% 12¼ 13¼ 17¼ 17¾ 22 23% 63 56½ 12 13% 47¼ 48½ 13¼ 13% 41% 48% 87 88½	110½ 112 46¾ 48% 11¾ 13¼ 16% 17¾ 22¼ 26¾ 54% 63 11¾ 12½ 46¼ 46¾ 46¾ 46¾ 13¼ 13½ 42 47% 85 86¼	101 107 46 1/6 50 3/6 9 7/6 12 1/4 16 3/4 17 3/4 24 1/4 27 3/6 58 1/2 65 11 1/2 11 3/4 45 1/4 46 3/6 13 15 1/2 42 1/6 46 85 1/2 88	102 ½ 105 47½ 51¾ 10½ 11% 16% 17½ 27½ 30½ 65 71 10% 11½ 45% 46% 15 16¾ 43½ 46¼ 87 90	106¼ 115 47% 50 10% 12½ 17% 18 27% 29% 66¼ 71½ 10% 11¼ 45½ 46 16¼ 16% 45¼ 51¼ 87 88	107 112¼ 50 52% 11 12% 7/64 ½ 17½ 18% 28% 32% 68½ 77 10% 11¼ 45¼ 47  16½ 19% 49½ 60% 84½ 87	109 115 51¼ 53¾ 12½ 13¾ 18¾ 20¼ 31¼ 34¾ 76 78 11½ 13⅓ 46¾ 55⅓ 18% 19½ 55¾ 58% 85½ 85½	108 120 5134 5534 1336 16½ 19 20¼ 3236 3334 11½ 1336 55½ 55% 19¼ 22 55 5834 83 84½	114 122 55½ 60¼ 15¾ 19¼ 19¾ 22½ 32¾ 35 12 13¼ 54¼ 55% 20½ 23¾ 55% 63 81¾ 83½	119 133 59% 63¼ 17% 19% 21½ 22% 34½ 38% 13¼ 14 	115 125 e 62 67 1778 2174 24 333 2 37 1312 1478 89 102 26 2834 6334 73 83 83
Tidewater Oil Co	23% 24% 31 35% 16% 21 12% 13% 42 44% 31% 36%	20½ 23½ 23% 24¾ 32¼ 36 17% 20¾ 13 13% 44¼ 47 36 38¼ 26 37 12½ 13	20% 23 23¾ 24½ 32¾ 35¾ 17% 19½ 13 13½ 45½ 51½ 36% 39% 27½ 30¼ 12½ 12%	21 22¾ 23¾ 26½ 32% 36¼ 18% 19½ 13¼ 14¼ 45% 50 38 40¾ 23¼ 25% 25¼ 29 12⅓ 12¾	20% 23% 22¼ 23½ 24¾ 35¼ 37¼ 19% 13¾ 14¼ 49 53% 40½ 21% 23 24¾ 31¼ 11% 13¼ 13¼	21% 24% 23% 24% 36% 39% 18 18% 13% 14% 51% 54% 40 43 22% 25% 26% 26% 26% 24%	23¼ 25% 22% 24¼ 39¼ 43¼ 18 20½ 14% 15. 53 57¼ 42% 43% 24 26 26½ 29% 12 14%	24½ 28½ 22¾ 22¾ 23% 45% 45 45 20 22¾ 14½ 14½ 55½ 61¾ 24¾ 26¾ 27¾ 29¾ 12¾ 14½	23% 26¼ 22 23¼ 42¼ 45 20½ 24 14½ 14% 57½ 61½ 25½ 28% 29 31¾ 13¼ 14¾	24 % 26 % 21 ¼ 22 ½ 41 ¼ 46 20 ¼ 23 % 14 % 15 58 ½ 64 % 25 % 28 % 32 13 ½ 17 %	22 24¼ 21½ 22¼ 41½ 46¼ 23 26 14½ 15 59¾ 64¾ 28½ 32% 28½ 32 15 16¾	22½ 24% 21% 22½ 42½ 45½ 20⅓ 26¼ 14¾ 16⅓ 61 65½ 29⅙ 31⅓ 27 28% 15¼ 16%
Tri-Continental Corp. \$2.70 preferred	0 53 57 1 16¾ 19¾ 0 44 44 1 23¾ 25¾ 1 21¾ 25¾ 1 10¼ 13 32½ 36 1 33½ 61⁄	29 30 % 56 56 34 17 ½ 19 % 43 43 ½ 23 ¼ 25 46 % 48 11 ¾ 12 ¼	29¾ 31% 56½ 57½ 17½ 18¼ -24¼ 26% 46% 47 23% 25½ 12½ 13½ 36 36 5 5¾ 14½ 17½	30% 32% 57 58 17½ 19½ 25% 46% 47 22% 27 12 12% 15% 15% 17%	32¾ 34% 56⅓ 57¼ 19 22 47¾ 49½ 25¼ 46 47 25⅓ 31⅓ 12 12% 7¾ 16¾ 19¾	33¼ 36 56 57½ 20½ 21¾ 48 48½ 24¾ 28 46¾ 50⅓ 28¾ 31⅓ 12⅙ 15¾ 7¾ 9¾ 18¾ 21½	33% 36% 55% 21% 23% 48% 49% 26% 27% 49% 50% 32 12% 13% 11% 19 21%	35% 40¼ 53½ 56 22¾ 24¾ 50 50½ 30½ 34¾ 12⅓ 12¾ 10¾ 13⅓ 20 22¾	37 38½ 53 55 21¾ 23¾ 48¾ 49½ 27¼ 29¼ 49 50¾ 31¾ 35 11¾ 12¾ 19¾ 19¾ 21¾	37½ 39¼ 52½ 53 21½ 53 21¾ 53 27¾ 32¼ 49½ 53 27¾ 32¼ 49½ 52¼ 31¼ 34¾ 10½ 12½ 36 37 11¾ 15¼ 20¾ 26¾	38% 40% 55% 53% 20% 25% 55 55 55 55 55 56 55 56 55 56 56 56 56	3834 4012 54 5536 20 2232 50 5112 3334 3612 54 5512 3534 4012 1134 1234 3688 3912 1238
U												
Udylite Corp (The) Underwood Corp Union Asbestos & Rubber Co. Union Hag-Camp Paper Corp	12% 15½ 5¾ 67% 632% 33% 91% 98 96¾ 100¾ 73½ 78	10% 12% 16% 6% 7% 31¼ 33½ 86% 94% 29% 99¼ 102½ 81½ 81½ 81½ 81% 99 92½	11 12½ 14½ 17½ 6½ 6% 30½ 33 86¾ 95½ 27¾ 28% 99 100¾ 79½ 81 87 88½	10%4 11% 15% 19%4 6% 7% 30% 33% 83% 88% 28% 30 99% 102 82 84 77 81 88 94	10% 11% 18 22 7 9½ 33 35½ 89½ 28% 29% 100 102½ 78 79¼ 92 92	9% 1114 18 20% 814 1014 3214 3536 8656 9234 2936 31 100% 10312 7814 7912 8912 93	934 10 1/2 18 1934 81/2 93/4 32 1/3 373/4 89 1/4 104 1/2 30 1/2 32 1/2 100 102 78 1/2 80 3/4 86 1/4 89 1/2	10 11% 18 19% 8 8% 351/4 38% 103 110½ 29% 32% 95½ 100½ 74 78½ 84½ 86½	10¼ 10% 18¼ 21 7% 9% 35½ 40 108½ 113¾ 29¾ 30½ 92 96 70½ 74 82 84½	10¼ 11½ 1858 21 858 1038 3734 4138 11134 116½ 30½ 32¼ 92 95½ 71 74 81½ 85	10% 11½ 18 20% 8% 976 39% 44 114¼ 120% 30% 32% 93 95½ 73½ 76 80% 83	10% 11½ 18% 23% 9 11½ 39½ 43% 117% 126% 30% 32% 92½ 95 71¼ 75 83 84½
Union Oil Co of California 2 Union Pacific RR Co 1 4% non-cum preferred 1 Union Tank Car Co 1 Union Twist Drill Co 1 United Airlines Inc 1 United Aircraft Corp 4% convertible preferred 10 4% (series of 1956) conv pfd 10 United Artists Corp 10	0 24¼ 27% 0 8¼ 9 9 26¾ 30% 5 21½ 23% 0 21¼ 27% 5 52½ 58% 0 111 120½ 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	41½ 44½ 25½ 28¼ 8½ 8% 28¼ 30½ 20½ 24½ 25½ 28% 52% 56 111½ 11 93¼ 95 17% 19½	42¾ 46¼ 45% 8¾ 8¾ 29¾ 30% 20¾ 23¾ 27% 54% 59¾ 59% 18 20½	43¾ 47 26 29¼ 8 8¾ 29 31¾ 20¼ 23½ 23¼ 25¾ 66¾ 60¾ 119¼ 125 97½ 99 19 22¾	45 <sup>3</sup> 4 50 <sup>4</sup> 6 28 <sup>7</sup> 8 30 <sup>1</sup> 4 8 <sup>1</sup> 2 9 30 <sup>5</sup> 6 31 <sup>7</sup> 8 18 <sup>1</sup> 2 21 <sup>3</sup> 4 24 27 60 64 128 128 97 <sup>1</sup> 2 102 20 <sup>7</sup> 8 23	47½ 54% 28¾ 30½ 8½ 8¾ 30¾ 32¼ 19 19⅓ 61¼ 63¾ 129 132 99 102½ 21 23%	45 <sup>3</sup> / <sub>4</sub> 49 <sup>1</sup> / <sub>4</sub> 29 31 <sup>1</sup> / <sub>4</sub> 8 <sup>1</sup> / <sub>2</sub> 8 <sup>3</sup> / <sub>4</sub> 30 <sup>1</sup> / <sub>6</sub> 32 <sup>1</sup> / <sub>4</sub> 19 22 <sup>1</sup> / <sub>6</sub> 62 <sup>5</sup> / <sub>8</sub> 68 <sup>7</sup> / <sub>8</sub> 130 <sup>1</sup> / <sub>2</sub> 141 100 107 21 <sup>1</sup> / <sub>2</sub> 22 <sup>7</sup> / <sub>8</sub>	46½ 51½ 30¾ 31¾ 8¾ 31 32 19½ 22¼ 28¾ 31, 36 69¾ 69¾ 133¼ 143 101½ 108 22% 24¾	475a 50½ 29% 3134 8 8½ 31¼ 34½ 20% 21% 30¼ 625a 66½ 135 135 100 104½ 22¼ 24%	43 1/8 48 7/8 30 3/8 32 1/2 8 8 3/8 33 1/8 35 1/4 20 1/2 23 3/4 29 3/8 32 1/2 60 3/8 63 3/8 130 135 98 1/2 102 22 3/8 26 1/2	43 46½ 32¾ 36¾ 8¾ 8¾ 34 36 20¾ 21¾ 26¾ 33¾ 62 65¾ 134½ 135½ 101 104¼ 24¾ 26¼	43 4638 34½ 3634 8½ 9½ 34 37½ 20½ 21 28% 3138 58¼ 64½ 122½ 130½ 99½ 103 24 27½
United Biscutt Co of America  24.50 preferred United Board & Carton Corp United Carbon Co United Carr Fastener Corp United Corporation (The) United Dye & Chemical Corp United Biscutt Coal Cos United Electric Coal Cos United Engineering & Foundry Co United Fruit Co United Gas Corp United Gas Imp.ovement Co 13	93 99 19 20½ 45 49½ 8 38 39½ 1 6¾ 7¾ 1 1¾ 2¼ 5 22¾ 23¼ 5 1F¼ 14¼ • 34¾ 40¾ (0 27¼ 20¼	32% 34% 99 99 99 20% 21% 48 50% 39% 41 1% 23% 24 24% 12% 14% 39 44% 39 375% 39%	33% 35% 100% 100% 121 23% 48 51 39% 40 7% 8% 24% 12% 13 % 41% 45% 28% 30% 37 38	30 37 20½ 25¾ 48¾ 53¾ 37½ 39 7% 8 22½ 25 13 13¾ 44¼ 48¾ 29 33 37¼ 40½	29% 32¼ 99½ 100½ 23¾ 26½ 49¾ 54¼ 36 38½ 7% 8¼ 25¼ 26½ 13 13% 47 48¾ 30% 32½ 40 40%	30½ 32 97½ 100½ 22¾ 24 53½ 58% 37¾ 39¾ 7¾ 8¼ 25¾ 28½ 13½ 14¼ 47¾ 49¼ 31¼ 32¾ 40% 44½	30% 32% 21½ 25% 56% 62½ 36% 42¼ 8 8¼ 27½ 29% 13% 15% 46% 43¼ 31½ 34½ 44 45½	30 1/4 31 3/4 24 25 3/4 62 1/2 39 3/6 41 3/4 8 8 30 15 15 5/6 47 5/6 50 7/6 33 3/6 35 1/2 44 1/6 45 1/2	30 31 % 96 99 25 ½ 32 ¼ 59 % 68 ¼ 39 ½ 44 ½ 8 8 8 8 27 % 28 ½ 15 ½ 16 46 % 50 % 32 ½ 36 42 ¼ 45	27½ 31% 91 93½ 28 32¼ 663¼ 79¼ 39% 45 8 8% 25¾ 30¾ 15¾ 16¾ 45¼ 46% 33½ 35% 44½ 45%	271/6 281/2 95 95 28 31 671/4 743/6 42 431/4 8 61/2 293/6 345/6 153/8 161/4 401/4 473/4 351/4 391/6 451/2	27 <sup>1</sup> 4 29 <sup>3</sup> 8 96 96 96 24 <sup>7</sup> 8 30 <sup>1</sup> 4 65 <sup>1</sup> 4 75 43 <sup>1</sup> 2 48 7 <sup>7</sup> 8 8 <sup>1</sup> 2 29 <sup>1</sup> 4 32 15 <sup>1</sup> 2 16 <sup>1</sup> 4 38 <sup>7</sup> 8 41 <sup>7</sup> 8 37 40 <sup>3</sup> 8 46 <sup>1</sup> 2 50
United Greenfield Corp	2 5½ 6% 1 10% 12% 1 18 1½ 25 32 37 25 34½ 36¼ 1 42 48% 85 90 1 26¼ 29%	13 1/4 15 61/4 71/4 12 1/4 13 1 1 1/6 36 7/6 39 35 7/4 37 34 1/4 44 1/2 87 26 5/8 29 1/4 22 1/6 23 1/6	12¼ 14¼ 6¼ 7 12% 13½ 1 13½ 1 13½ 37¾ 43% 36½ 37¼ 35½ 39¾ 80 62½ 27 29 21% 22%	11% 14 6% 7% 12¼ 13% 1 1¼ 39 42 36½ 37 33% 38% 80 80 82½ 26% 29½ 21% 23%	111/a 121/4 73/8 9 13 /	11% 12¼ 8% 8% 8% 13¼ 14½ 1 1½ 43½ 45½ 35% 36% 39% 43¼ 84 86 13 22¼ 32¾	1134 13% 8¼ 10 13½ 14% 1½ 135 40 1½ 135 35¾ 37 37½ 41% 85 85 30⅓ 34¼ 30⅓ 33	12½ 13½ 13½ 11½ 15½ 14 15½ 15½ 13¼ 15½ 14¼ 15½ 44¼ 34 46¼ 45% 78½ 86 33¾ 35½ 31½ 39¾	12½ 14¾ 10½ 12½ 14½ 16½ 1¾ 15½ 42½ 47½ 33 34¾ 38¼ 41¾ 78½ 80 33⅓ 37¾ 42¼	14½ 16¼ 11 14½ 15½ 17½ 13½ 2½ 41¼ 45 32½ 34 36¾ 40% 79½ 84 33¼ 37¼ 39 47¾	15% 16% 145% 1634 1634 1634 176 42 4434 3232 3434 4132 7878 84 32 50 50 52	15% 16% 13% 17% 16% 17% 13% 134 42½ 47% 33 34 40 46% 78 83 32¼ 34% 48 57% 38 5%
U S Gypsum Co	00 167 170 10 6% 754 50 25 274 1 844 109 50 39 41 1 2374 28 10 854 89 15 1894 22 16 66 71	69 76 169 169 7¼ 8½ 27 30½ 9½ 10¼ 43¼ 47½ 25¼ 27% 8¾ 9 21¾ 23¼ 69¼ 72¼	69½ 72¼ 162 164 7¼ 10% 29 31 9 10 43¼ 43½ 25% 27% 8¾ 9 22 22% 68% 72¾	70¼ 77¾ 159½ 166 9¾ 10¾ 31 33 9% 9% 43¼ 43¾ 25¾ 29¼ 8¾ 9 20½ 22½ 71 74¼	72¾ 79 164 171½ 10¼ 11¼ 31¼ 34½ 9⅓ 9₹ 42¾ 43½ 27₹6 30¼ 8⅓ 8₹6 21¾ 23₹6 77¼	75% 80½ 168 12 10% 12 33½ 39½ 8¼ 9¾ 42½ 42½ 27 28% 9 9½ 22% 24½ 74½ 77½	78¼ 89¼ 168 171 11¾ 13½ 37 38½ 85% 9¾ 44½ 28½ 30¼ 9 9 22¾ 25½ 75¼ 81¼	86 93 167¼ 168 13¼ 15¼ 37½ 39¾ 9% 10⅓ 44 44 29¼ 30½ 9 9 24¾ 26% 80½ 84⅓	84½ 90¼ 153 165½ 13 16½ 36 41½ 9¼ 10¾ 43¼ 43¼ 29¾ 30⅓ 8½ 8⅙ 24½ 26¾ 82¼ 85	85 91 155 159 9½ 1334 33¼ 3534 934 1178 4256 43¼ 30 3134 834 9 2478 2758 83 88	\$8 99 155 158 10 <sup>1</sup> / <sub>8</sub> 11 <sup>3</sup> / <sub>4</sub> 32 <sup>1</sup> / <sub>4</sub> 33 <sup>1</sup> / <sub>2</sub> 9 <sup>5</sup> / <sub>8</sub> 11 <sup>1</sup> / <sub>8</sub> 42 <sup>5</sup> / <sub>8</sub> 42 <sup>5</sup> / <sub>8</sub> 30 <sup>1</sup> / <sub>4</sub> 32 <sup>7</sup> / <sub>8</sub> 8 <sup>1</sup> / <sub>2</sub> 8 <sup>3</sup> / <sub>4</sub> 25 <sup>3</sup> / <sub>8</sub> 28 <sup>5</sup> / <sub>8</sub> 64 <sup>3</sup> / <sub>4</sub> 95	95 1/4 102 156 163 10 115 8 32 1/4 36 1/2 9 1/2 11 1/2 42 43 30 3 8 31 8 1/4 8 7/8 25 5/8 28 88 93
U S Plywood Corp.  334% cum preferred series A. 10 334% preferred series B. 10 U S Rubber Co. 6% non-cum 1st preferred. 10 U S Shoe Corp. U S Smelting Refin & Mining Co. 5 7% preferred. 10 U S Steel Corp. 163 7% preferred. 10 U S Tobacco Co. 7% non-cum preferred. 2	77½ 80 82 86 10 32% 34¾ 10 146 154 11 21¾ 23¼ 10 46¾ 52½ 10 46¾ 52½ 10 148½ 156¾ 10 148½ 156¾ 10 148½ 156¾	27 29¾ 79½ 79½ 87 87 31¾ 35½ 149 153½ 22% 23½ 27 30½ 49¼ 51¾ 55½ 59½ 149 153½ 20% 22½ 35½ 37½	26% 28% 7834 80% 90 91 93 31% 34% 151% 23 25% 28% 33% 49 51 57% 61% 148% 151 2034 25% 36% 36%	26% 27½ 78 77½ 78 31½ 33% 140 146¼ 24% 25¾ 29¾ 34¾ 49½ 51¼ 55½ 61 147¾ 155½ 22¾ 24¾ 37¾ 38¼	26% 30% 75½ 75½ 90 91 31% 33% 145½ 26½ 32¼ 35¼ 49½ 50½ 59% 65¼ 151¼ 154¼ 22% 25% 37 38%	29 1/a 33.7/a 73 1/2 76 87 89 1/4 32 3/4 3/4 151 25 3/4 26 1/2 32 1/2 35 1/4 49 50 3/4 62 7/6 67 151 158 1/2 22 3/4 32 1/2 36 3/4 38 3/6	32% 35% 74. 74. 88½ 92. 31½ 38¼ 147¾ 151. 26% 28½ 33½ 36¾ 49⅓ 53½ 65 72% 151½ 156% 25¼ 29% 36½ 38¼	34% 39¼ 74 74 91¼ 96 37 41% 142 150½ 30 33¼ 37 49% 53¼ 68¾ 76¼ 145% 152 25¾ 28 36 37	3734 4014 73 7312 9814 100 4014 4234 14015 14315 2914 30 3278 38 4878 51 7334 80 14315 148 2514 2815 3615	36 39% 75 77 94¼ 9734 40½ 4434 140½ 144 29½ 31 37 41½ 53 78% 87½ 143¼ 147½ 24¾ 26¾ 35⅓ 36⅓	373	3912 4178 74 77 104 108 4414 4778 146 15012 3312 3612 3318 3778 4918 51 8412 9712 147 14912 2312 2578 3534 3638

NOTE: All stock footnotes shown on page 17.

STOCKS	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Lew High	October Low High	Nevember Lew High	December tow High
Universal Pictures Co Inc	19 22 <sup>1</sup> 2 65 67	20 32 % 67 71	11¼ 12¼ 5¾ 5¾ 82 86½ 6¾ 7 15¼ 15¼ 4½ 5½ 75½ 22¼ 24½ 33⅓ 36¾ 163 148 152 19½ 22¾ 24½ 33⅓ 26¾ 66 70⅓ -26¾ 28¾	10½ 11¾ 5½ 5¾ 79½ 82½ 6½ 75% 14 14 5 55% 75 75 19½ 23 34 35½ 147½ 151 20¼ 20¾ 63 64 -25½ -28½	10½ 11%  5½ 57%  79 82  7 73%  13½ 15  5¼ 6⅓ 76  76 76  19¼ 22½  35 39½  148½ 154  18½ 20¾  58½ 65¾  58½ 65¾	11 1136 538 576 7934 8112 678 714 15 15 534 6 20 2236 36 4036 15134 154 2014 22 5914 6014 -2714 2915	11½ 12¾ 5¾ 5¾ 79½ 81½ 77 13 13¾ 6½ 76 20 26 36 39¼ 152 155½ 20 21 58½ 20½ 29¾	12 1/8 12 1/8 5 1/2 6 80 82 1/2 6 1/2 7 1/8 15 15 1/2 6 6 1/2 23 3/4 26 3/8 37 40 1/2 151 1/4 153 19 20 1/8 59 3/4 61 1/2 28 7/8 30 1/2	11% 14%  5% 6% 82 87  6% 7% 15% 15% 15% 76% 75% 76% 75% 76% 23% 27 30% 47% 148% 152 19% 20% 57 62 28% 31	12½ 14¾ 5¾ 788 87 88½ 6¾ 9¾ 15 15¾ 6¾ 738 75 75¾ 26¾ 311½ 150½ 153 21 27 62 69½ 29½ 31¼	13½ 14½ 6½ 107a 85 90 8½ 9³4 17 17 7 10°a 76½ 78 29 35½ 4½ 46°a 152³4 157 23½ 28°a 67½ 96 30°a 31½	13½ 15½ 6¼ 6¾ 85 90¾ 8½ 8½ 17 17 17 77 32½ 39½ 46¾ 57 150 15¼ 25 28¾ 73¾ 90 31¼ 37
Vanadium Corp of America	27½ 33% 5½ 8% 13½ 18¾ 21½ 25 9½ 10% 45¼ 50 23¾ 27½ 26% 28 106¾ 110 87½ 87½ 91½ 95 92 92 26¾ 28¼ 11 11% 9¾ 115% 14½ 15¾ 74 77¾ 84 90	29 33¼ 7½ 16½ 17½ 24¼ 26 938 10⅓ 50 55¼	29½ 325% 6½ 75½ 153¼ 16½ 23½ 24¼ 9½ 93¼ 535% 60¼  273% 31 78 78 165% 19 91 99 26½ 28% 107½ 109  91½ 96 25½ 27¼ 115% 123¼ 11 14% 16¾ 75½ 80¾ 86¼ 91½	27½ 30¾ 6 7½ 15¾ 16½ 24 25¾ 9 11¾ 55½ 62½ 27½ 28¾ 78½ 79 16¼ 18½ 88¼ 96 26% 29¾ 108½ 112 85 89 97 99½ 92¾ 93 24½ 26¾ 11½ 12 13 14¾ 16 16¾ 79½ 83 88¼ 94	28½ 31½ 7 7% 16 17½ 25 25¾ 10¾ 12½ 60¾ 64	27% 32¼ 6¾ 7½ 15¾ 16½ 25% 27¾ 11¾ 12% 57¼ 62 29 30½ 83 83 15¼ 18½ 90 94¼ 29% 31¾ 109½ 111¾ 87½ 90 94½ 27% 31½ 11% 15¾ 16¾ 15¾ 16¾ 15¾ 16¾ 15¾ 16¾ 80½ 83 ½ 83½ 83½ 83½ 83½ 83½ 83½ 83½ 83½ 8	28% 36% 7½ 9½ 16½ 20½ 26¼ 27% 11% 12% 59½ 67% 31% 81½ 82¼ 15½ 17½ 81½ 90½ 90½ 90½ 90½ 90½ 90½ 90½ 90½ 91½ 11¾ 12% 11½ 14¼ 15½ 17% 81 84½ 15½ 17% 81 84½ 92 93½	33½ 36¾ 8½ 11¾ 18¾ 24¾ 25½ 28½ 11¾ 12¼ 65¼ 69 ————————————————————————————————————	35 3634 934 1134 2032 23% 2634 2834 1236 66 7432 	36 4034 934 11 2014 22 28 30% 1014 14% 71 78 	33½ 38 97% 10% 20¼ 22¼ 28 30 10 10½ 74¼ 86¼ 	33 38% 9% 10½ 20½ 22¾ 30½ 32½ 9% 10½ 82¾ 97
Wabash RR Co 414% preferred100	64 70	69 721/2	6214 7014	62 65	601/2 633/4	61½ 63	62 63	6234 6234	621/2 64	631/2 663/4	66 67	6714 72
Wagner Electric Corp         15           Waidorf System Inc         10           Waigreen Co         10           Walker (Hiram) G & W Ltd         1           Wann issued         250           Ward Baking Co         1           5½ % preferred         100           Ward Industries         1           Warner Bros Pictures Inc         5           Warner-Lambert Pharmaceutical Co         1           Washington Gas Light Co         2           Washington Water Power         4           Wayne Knitting Mills         5           Wayne Pump Co         1           Weiblit Corp         1	3434 3678 25 2638 21 221/2 1634 221/4	34 38% 13% 13% 29% 80 82 26% 16% 16% 16% 12% 13% 85% 87 19 59% 64% 28% 20% 20% 20% 21% 2	35% 41 12% 13½ 29 33½	35 39 ½ 13 13 % 35 % 35 % 28 ½ 13 % 15 ¼ 12 % 13 % 85 95 18 % 19 ½ 62 ½ 68 ½ 39 % 42 73 % 28 ¾ 20 ¼ 21 % 21 %	37% 40% 13% 13% 35% 36% 36% 14% 12% 13% 13% 14% 12% 13% 19% 65% 69% 41% 28 30% 21% 20% 21% 2%	38 1/4 11 1/4 13 1/8 13 1/8 13 1/8 13 1/8 13 1/8 14 1/2 12 1/8 13 1/8 87 91 1/8 18 1/4 11 1/2 13 1/8 18 1/4 11 1/2 13 1/4 11 1/4 13 1/8 13 1/4 11 1/2 13 1/4 12 13 1/4	39 44½ 13¼ 13⅓ 36¾ 38⅓ 28¾ 30¾ 11% 13% 12½ 13 86⅓ 90 9¼ 10½ 20⅓ 21¼ 63¼ 67¾ 43 45¼ 39¾ 41 30¾ 33¾ 22¾ 24¾ 22¾ 24¾	11½ 44½ 13% 14½ 36% 39½ 30 32 12¾ 13¾ 11½ 13 86¼ 89 9¼ 10¾ 10¾ 19¾ 21¼ 65¼ 70¾ 43¼ 31¼ 33¾ 22½ 23½ 2¼ 3¾	41 ½ 46 ¼ 13 ¾ 14 % 38 ¼ 13 ½ 31 32 ½ 13 13 ¼ 11 ¼ 12 ½ 8 90 ½ 20 ¾ 23 ¼ 70 ¼ 88 ½ 39 ¼ 44 ¼ 45 ½ 39 ¼ 13 23 ¾ 34 ¼ 23 26 ¾ 3 ¾ 3 ¾	44% 50 14 14% 38% 44% 31% 33¼ 12% 14¼ 11% 12% 88 9% 21% 22½ 78% 45% 45% 45% 39% 41 33¼ 39½ 25% 26% 27% 3%	45% 48% 48% 44½ 48% 35% 36 13 16 11% 13½ 90% 2134 24½ 80% 87% 40% 42% 36% 25% 26% 4½	43 47¼ 14¾ 15¼ 47¼ 51.  33¼ 35¼ 12 14¾ 87 90 9¼ 11¼ 23¾ 26½ 78¼ 97¼ 45¼ 48 41¾ 44½ 36¼ 37½ 25¾ 26¾ 3¾ 4¾
Wesson Oil & Snowdrift Co Inc. 2.50 4.80% preferred	63% 68%  15% 18% 26% 28% 97% 101 87 91 88 91 34% 37% 99 99 20% 23 14% 16  48% 54% 63 65% 42% 49%	25 27 4434 4614 657a 6715 5914 6035 165a 1935 28 2914 9914 101  88 88 3114 36 9714 101 21 2314 1534 1676 96 100 5114 5514 6634 6934 4514 5014 165a 18	25½ 26¾ 45¾ 48½ 55 65 16¾ 18¾ 27% 29¾ 100½ 103 90½ 90½ 87 90 32 36¾ 96¾ 98 20 21¾ 15¾ 16¾ 99½ 100 53 59¼ 69 70¾ 44½ 48¾ 16¾ 17%	24\\\( 27\) 46\\\( 48\\\\ 24\\\\ 48\\\\ 24\\\\ 48\\\\ 24\\\\ 48\\\\ 24\\\\ 48\\\ 48\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\\ 48\\\	26½ 28 46 47½ 59½ 62 16½ 19 29¼ 31½ 102 105 94 96 91½ 92¾ 34% 37% 100½ 103 19½ 20¾ 16½ 17% 95¾ 98 58¾ 63¾ 73 74¼ 47¾ 51¾ 18 19¾	26¼ 30¾ 47 48½ 58 61½ 17½ 21 30¼ 32½ 100½ 103½ 96½ 99½ 92½ 94 36¼ 40¼ 101 101¾ 19¾ 20¾ 16¾ 17½ 98 100 60¼ 64¾ 73 74¼ 48½ 52¾ 19 20¾	29 32¾ 47 49¼ 58 60 177% 20¾ 30¾ 30¾ 32¾ 96¾ 96⅓ 91 91 375% 40½ 100 103 20¼ 22 16¾ 17¼ 96 98 59¼ 67¾ 72¼ 76 50 56¾ 19¾ 22⅓	30 <sup>34</sup> 35 <sup>14</sup> 46 <sup>76</sup> 48  58 <sup>14</sup> 64 19 22 <sup>14</sup> 31 32 <sup>14</sup> 100 103 <sup>14</sup> 95 <sup>15</sup> 96 <sup>16</sup> 91 91 <sup>15</sup> 39 <sup>16</sup> 44 <sup>36</sup> 99 <sup>76</sup> 101 <sup>15</sup> 20 <sup>15</sup> 22 <sup>14</sup> 17 18 <sup>15</sup> 96 97 63 <sup>15</sup> 66 <sup>76</sup> 75 77 54 57 <sup>15</sup> 21 <sup>34</sup> 25	31½ 35 47 48 59½ 62¼ 20¾ 23¾ 30¼ 31% 96¼ 101 86 92½ 84 86% 38% 41½ 100 102 20% 22¼ 17% 20% 97 97 66½ 71½ 57¼ 62 24% 27½	34 35% 47 47% 56¼ 59¼ 20% 24% 31 32% 95¼ 100 87% 88 84 87 40% 44½ 97½ 24 20¼ 22% 64% 71¼ 77 80½ 60¼ 66% 24% 27%	30 1/2 35 1/4 46 1/2 47 3/4 56 3/4 56 3/4 56 3/4 56 3/4 56 97 1/2 90 90 84 1/2 86 40 1/4 50 99 99 1/2 22 3/4 24 1/4 21 5/6 24 94 1/2 96 1/2 68 1/2 77 3/4 79 86 63 1/2 71 1/2 26 3/4 31	31½ 35 46½ 48 50¾ 53½ 18¼ 20¾ 33½ 35¾ 95¼ 97½ 90 90 83½ 86 47½ 51 98 99½ 23¾ 28¼ 23 24¾ 94½ 96½ 73 79¾ 80 82¼ 65½ 70½ 29¾ 34¾
Westinghouse Air Brake Co (The) 10 Westinghouse Electric Corp 12.50 3.80% cum preferred series B 100 Wheeling & Lake Erie Ry Co 100 Wheeling Steel Corp 10 %5 preferred 9 Whirlpool Corp 5 41% convertible preferred 80 White Dental Mfg Co (The SS) 20 White Motor Co 1 514% preferred 100 White Sewing Machine Corp 1 Prior preference 20 \$3 convertible preferred 50 Wilcox Oil Co 5	35 39% 8312 89 165a 2014 56 57 26 2912 4012 4312 9112 95 478 - 6 24 36	20 22 60 14 65 14 88 34 91 34 16 39 87 12 91 16 12 21 14 57 34 61 28 76 30 14 42 44 14 93 12 94 76 514 65 35 14 37 33 37 1/2	20 22 60 34 63 38 90 14 92 34 14 38 36 90 12 92 16 78 18 34 57 12 58 29 76 34 42 14 44 34 94 14 96 5 14 5 78 23 14 25 35 12 36 14 34 36 38 14	20\\\ 21\\\\ 89\\\\ 92\\\\ 25\\\ 125\\\ 33\\\\ 36\\\\\ 89\\\\ 91\\\\ 16\\\\ 89\\\\ 91\\\\\ 16\\\\ 89\\\\ 91\\\\\ 16\\\\ 21\\\\\\\ 89\\\\ 91\\\\\ 16\\\\ 21\\\\\\\\\\\\\\\\\\\\\\\\	21 1/6 22 7/8 57 3/6 59 3/8 90 92 1/4 110 1/4 119 34 1/2 37 1/2 90 1/8 91 3/4 17 1/8 19 1/8 	22 23½ 55½ 59 90 92 110¼ 110¼ 36¾ 92½ 18¼ 19¾ 58 60½ 41½ 47 45¼ 47¾ 95 98 5½ 7% 23½ 25 32¾ 37 40½ 44½	22 1/a 25 1/6 56 1/a 62 86 1/a 90 1/a 37 1/a 46 1/8 90 5/a 94 19 1/a 23 3/a 60 3/4 61 1/4 44 1/a 50 95 98 1/4 61/4 7 1/a 24 25 1/a 34 37 40 1/a 44 3/4	24 1/8 26 3/4 59 3/4 62 3/8 87 1/2 110 1/4 110 1/4 110 1/4 12 22 24 1/4 60 61 1/8 12 3/4 18 5/8 52 3/8 96 1/2 99 1/2 8 24 1/2 25 1/4 33 37 40 3/4 46 1/2	25 1/a 26 3/a 62 3/a 68 1/4 84 85 1/2 	25 1/8 29 3/4 63 7/8 83 87 87 88 95 4 65 1 58 96 1/8 99 7 8 1/8 24 25 1/2 35 37 1/2 39 3/4 44	26½ 29¼ 65¼ 69% 85½ 87¼	27% 33% 66% 74½ 84 85½ 110 110 49½ 54% 95 27 31% 68 44% 49 60½ 69 97% 6% 73% 23¼ 24½ 35½ 37½ 46% 6%
Wilson & Co. Inc.  \$4.25 preferred.  Wilson-Jones Co. 10 Windsor Industries Inc. 10c Winn Dixie Stores Inc. 1 Wisconsin Electric Power Co. 10 Common rights  6% preferred 100 Wisconsin Public Service Corp. 10 Woodward Iron Co. 10 Woodworth (F W) Co. 10 Worthington Corp (Del) common 10 Prior preferred 4½% series. 100 Wrigley (Wm) Jr Co (Del)  Wyandotte Worsted Co. 5	14¼ 14¼ 4 4¾ 26¼ 30 31% 35 124 133 20½ 22¾ 21½ 26½ 23¾ 42¾	16 <sup>1</sup> / <sub>4</sub> 18 <sup>1</sup> / <sub>4</sub> 79 <sup>1</sup> / <sub>2</sub> 80 14 <sup>5</sup> / <sub>6</sub> 15 4 <sup>1</sup> / <sub>6</sub> 4 <sup>1</sup> / <sub>2</sub> 27 <sup>5</sup> / <sub>8</sub> 29 <sup>1</sup> / <sub>4</sub> 35 132 <sup>1</sup> / <sub>2</sub> 13 <sup>4</sup> 22 <sup>1</sup> / <sub>2</sub> 23 <sup>1</sup> / <sub>4</sub> 23 <sup>1</sup> / <sub>2</sub> 26 <sup>1</sup> / <sub>6</sub> 40 <sup>5</sup> / <sub>6</sub> 43 <sup>3</sup> / <sub>6</sub> 45 <sup>1</sup> / <sub>4</sub> 49 <sup>3</sup> / <sub>6</sub> 88 89 <sup>1</sup> / <sub>2</sub> 81 81 <sup>7</sup> / <sub>8</sub> 5 <sup>1</sup> / <sub>4</sub> 5 <sup>3</sup> / <sub>4</sub>	18 1/4 21 1/2 79 80 1/4 14 14 1/9 4 4 1/2 27 5/8 33 1/4 35 1/6 36 133 135 22 1/2 23 24 1/6 41 1/4 42 7/8 45 3/8 51 3/4 88 3/8 89 1/2 80 3/4 82 1/2 5 1/8 6 1/8	19 1/6 21 7/6 80 1/4 84 1/4 14 14 1/4 4 41/2 32 1/6 36 1/4 35 1/6 36 131 135 21 3/4 22 7/6 22 1/6 24 7/6 40 7/6 44 7/6 46 1/2 53 3/6 88 3/4 90 3/4 81 1/2 83 5 1/2 7 1/6	20 21% 83 85¼ 13½ 14¼ 4 5½ 335% 36% 3534 36% 129 132 22½ 24½ 23¾ 24% 43¾ 45% 52¼ 55¾ 89 94¾ 82½ 87¼ 6½ 8⅓	21¼ 22% 84 85 13% 14 5¼ 6 34% 35% 36 37 130 131 23% 24½ 24¼ 25¾ 45½ 47¾ 55 59½ 93½ 97 85½ 88¼ 6¾ 7%	20% 25¼ 84 85½ 12½ 14 5½ 6 34¾ 37 124 129 24¼ 25¼ 24¼ 29% 47¼ 90 94 82 87¾ 6¾ 7¾ 6¾ 7¾	24 27½ 80% 82 12% 13½ 5¾ 7¼ 35½ 39¼ 33¾ 37	25 <sup>3</sup> / <sub>4</sub> 27 <sup>1</sup> / <sub>2</sub> 80 <sup>1</sup> / <sub>2</sub> 82 <sup>1</sup> / <sub>2</sub> 12 <sup>1</sup> / <sub>4</sub> 12 <sup>3</sup> / <sub>4</sub> 63 <sup>1</sup> / <sub>4</sub> 7 <sup>1</sup> / <sub>4</sub> 38 <sup>5</sup> / <sub>6</sub> 35 <sup>1</sup> / <sub>6</sub> 124 125 <sup>1</sup> / <sub>6</sub> 23 24 <sup>1</sup> / <sub>6</sub> 28 <sup>1</sup> / <sub>2</sub> 31 <sup>1</sup> / <sub>6</sub> 47 <sup>1</sup> / <sub>6</sub> 49 58 43 <sup>1</sup> / <sub>4</sub> 88 <sup>3</sup> / <sub>4</sub> 7 <sup>1</sup> / <sub>2</sub> 9 <sup>3</sup> / <sub>6</sub>	26½ 30% 82½ 82½ 12¾ 14½ 6¾ 7½ 39¾ 40½ 34 35½ ½ 125 23 24% 30¼ 32¼ 47¾ 50% 61½ 66¼ 85½ 88 84 88⅓ 9 11½	29% 33% 82½ 14 14% 71 84% 40% 49¼ 34½ 36¼ 122¾ 22¾ 22¾ 23¾ 24½ 29% 30¾ 63½ 68¼ 86¼ 88 4 99% 11¼	29¾ 33½ 82 83 13½ 20% 6 7% 41 44¾ 36 37¾ 120½ 122¾ 24 25¾ 29 31¾ 50½ 53¾ 66¾ 74 86¾ 80¼ 9½ 10%
Yale & Towne Manufacturing Co10 Young Spring & Wire Corp5 Youngstown Sheet & Tube Co		25 27½ 25½ 27% 77 84½ 18½ 19%	25 27¼ 25% 29% 81% 86% 16% 19	2394 251/2 271/4 287/6 748/4 84 16 167/8	24½ 26¾ 27¼ 30% 81½ 90 16¼ 16%	25 26 <sup>3</sup> / <sub>4</sub> 28 <sup>3</sup> / <sub>2</sub> 31 <sup>3</sup> / <sub>6</sub> 85 <sup>3</sup> / <sub>2</sub> 91 16 <sup>3</sup> / <sub>8</sub> 18 <sup>3</sup> / <sub>8</sub>	25 % 28 % 30 ¼ 33 % 88 103 ¼ 17 18 %	28 30% 33% 36¼ 99% <b>104</b> % 17% 18%	29 1/4 30 7/6 34 35 3/6 102 7/6 112 3/4 17 7/6 19 7/6	29% 31% 32 34% 108% 119% 18% 19%	29% 33% 35% 35% 104 119 18%	30 <sup>3</sup> 4 32 <sup>5</sup> 4 30 <sup>3</sup> 4 34 109 <sup>3</sup> 4 118 <sup>9</sup> 4 19 <sup>3</sup> 4 22 <sup>3</sup> / <sub>9</sub>
Zenith Radio Co	12034 130	126¼ 138¾ 67½ 68¾		70% 77%		781/4 851/2			95 134%	119% 133%	128 148	14934 2081/2

BONDS		uary High	Pehr Low		Marel Low 1		Low		Low	High		ne High	Jul		Aug	ast High	Septe Lew		Octa	ber High		mber High	Decen	nber High
Treasury— 4s Oct 1															97.12	97.12					102.14	102.14		
3s Aug 151966 21/2s Dec1967-1972  International Bank for Reconstruction		94	Ξ	Ξ	-				I		=	=	=	=	-		<b>100 M</b>		-		-		+	
and Development       4½s Jan 1     1977       4¼s May 1     1978       4¼s Jan 15     1979       3½s Oct 1     1969       3¼s Oct 1     1981       3s July 15     1972			105.16 1 101.24 1  92.16	101.24			103.8	103.8			99.8 95	99.8 95	98.16 91	96.16 95	=		96.16 	96.16   					1	
New York City— Transit Unification Issues— 3s corp stock————————————————————————————————————	9812	100%	99	100 7	99 & 10	00	99 %	102%	99 %	101%	9911	1001/2	99	9918	-		95	96 1/a	92	941/2	921/6	93	89	92
Foreign Governments—  Agricultural Mtge Bank (Colombia)—  Sinking fund 6s	87	87	98  891/2 891/2  45%	98 		99	10134 	102¾ 102¾ = 89½ 90 = 48	102 1/a	103	98 1021/4		103  90  43	104½ 90 	102%		101¼ 101¼ 	103  103  923/4 483/6	101¼ 93½ 	103¼ 93½ - 48%	102 1/6	1031/4	1021/4	49
20 year 3½s. 1967 20 year 3½s. 1966 15 year 3¾s. 1966 15 year 3¾s. 1968 15-year 4½s 1971 15-year 4¾s 1973 15-year 4¾s 1973 20-year 5s. 1978 Austrian Govt Int Loan 7s of 1930 4½s assented 1980 Bavaria (Free State) 6½s 1944 4¾s debt adj series 8 1965 Belgian Congo— 5⅓s ext loan 1973 Belgium (Kingdom of) 4s 1966	91 1/2 95 93 1/2 99 10236 7956	94¼ 98 97¼ 100½ 104% 80½	80 943/4	95½ 95½ 99 98¾ 100% 104% 82 94¾	93 98½ 95½ 99½ 1 103½ 1 82¾ 95	94½ 94¾ 999¾ 996¾ 00½ 04½ 	82%	94 94 99 95½ 100 104½ 	92 1/6 92 3/4 97 3/4 93 1/2 98 1/4 103  96 1/6 98 1/2	104%  96% 98%	104 ¼ 85 ¾  98	95 1/4 99 95 1/2 100 99 3/4 105 1/2	95 1/4 94 3/4 98 3/6 92 1/2 98 5/6 98 3/4 103 3/4 	99 <sup>3</sup> / <sub>4</sub> 94 <sup>7</sup> / <sub>6</sub> 99 <sup>7</sup> / <sub>6</sub> 99 <sup>3</sup> / <sub>4</sub> 105 86	99 104¼ 86¾  98	99 <sup>3</sup> / <sub>4</sub> 94 <sup>1</sup> / <sub>2</sub> 100 <sup>1</sup> / <sub>6</sub> 101 <sup>1</sup> / <sub>4</sub> 105 <sup>1</sup> / <sub>4</sub>	993/4 1021/2  867/8  981/2	94 ¼ 99 ¼ 101 ¾ 104 ¾ 86 ¾	100 87½ 99 98½ 99%	91¾ 97 100¼ 102½  88 99 100½	90 90 ¼ 96 ¾ 90 95 97 99 ¼ 96 ¾ 86 ¾ 99 ½		99 98 1/a 99 1/4	9278 9734 92 97 9734 971/2 
1972   Berlin (City of) 68	125 70% 135 90 66% 66%	132½ 70% 135 91½ 69	102% 136 156 89% 	136 156 89%  86  68%	89 831/4  86  68  681/2 138	04½ 60 92¼ 83½ 	103% 160 92% 83% 86% 118 69 69% 138	160 93%	103	104¼ 	103½ 172 98 86	105¼ 172 98 86 141½ 92¼ 72½ 72¼ 141½	105 1/2  96 1/2 91	106% 98 94 139 91  73  91	104½ 161 98 92½ 88½	89  73½		168 ½ 179 98 ½ 96 % 89 77	104½ 98 96% 86 74½ 75½	10534 	104% 180 97 86 	105 ¼ 180 97 87 72 72 87	96 94 84	96 95 85 711/2
5% funding of 1931 due 1951  Stamped pursuant to Plan A (interest reduced to 3.375%) _ 1973  34's external dollar bonds of 1944 (Plan B) Series No. 2 Series No. 2 Series No. 5 Series No. 7 Series No. 7 Series No. 10 Series No. 10 Series No. 11 Series No. 12 Series No. 13 Series No. 14 Series No. 15 Series No. 16 Series No. 16 Series No. 17 Series No. 17 Series No. 18 Series No. 19 Series No. 19 Series No. 19 Series No. 20 Series No. 21 Series No. 21 Series No. 22 Series No. 22 Series No. 23 Series No. 24 Series No. 25 Series No. 26 Series No. 26 Series No. 27 Series No. 28 Series No. 29	99 % 99 % 99 % 99 % 99 % 99 % 99 % 99	99½ 95 99 99 99 96 	99 ½ 99 ½ 99 ½ 96 98 ½ 99 97 96 96 96 99 97	99½ 99½ 95¼	99 ½ 99 ½ 95 ½ 95 % 95 % 95 ¼ 95 ¼ 95 ¼ 95 ¼ 95 ¼ 95 ¼	99½ 99¾ 99¾ 95¼ 99 98 96 96 96 95½ 96 95¼ 96 95¼ 95¼ 95¼ 96 95¼	99 14 99 14 96 18 95 19 96 96 96 96 96 96 96 96 97 96 96 14 97 16 97 16 96 14	72 1/2 99 1/2 99 3/4 98 97 1/2 99 1/2 96 96 96 96 96 96 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 97 1/2 96 1/2 97	71½ 99½ 97½ 97½ 97 99½ 97 99½	72% 99% 98% 98% 99% 99% 96% 96% 96% 96% 96% 96% 96% 96		71½ 99½ 99¾ 99¾ 99½ 99¾ 99¾ 99¾ 99¾ 99¾ 99	71 % 99 98 % 98 % 96 % 96 % 96 % 96 % 96 % 96 % 96 % 96	99 99 98½ 98½ 99 7 96% 1 96¾ 1 96¾ 1 97¾ 1 97¾ 1 97¾		72%4 99 99 99 98 1/2 97 1/2	723/4 99 99 99 99 99 97 	75½ 99 99 99 99 99 97 97 96 98	76½ 97½ 96 99	97% 99 99 95% 95 95 99 98 99 99 99 99	97 1/6 96 97 97 97 97 97 96 96 95 99 1/4	72 9714 96 97 97 95 96 96 96 97 99 99 99 99	971/2 971/2 971/2 97 97 98 96 96 96 96 95 95 95 95	9814 9734 9715 98 96 96 96 96 96 95
Caldas (Dept of) 3s 197 Canada (Dominion of) 234s 197 25 year 234s 197 Cauca Valley (Dept of) 3s 197 Chile (Republic) external s f 7s 194 7s assented 194 External sinking fund 6s 196 6s assented 196 External sinking fund 6s Feb 196 6s assented Feb 196 6s assented 196 External sinking fund 6s Jan 196 6s assented 196 External sinking fund 6s Sept 196 6s assented 196 External sinking fund 6s 196 6s assented 196 External sinking fund 6s 196 6s assented 196 External s f 8 bonds 3s 195 Chile Mortgage Bank 6½s June 30 196 6½s assented 196 Guaranteed s f 6s Apr 30 196 6s assented 196 Chilean Cons Munic 7s 196 Chilean Cons Munic 7s 196 Chinese Govt (Hukuang Ry) 5s 195 Colombia (Republic of) 65 1927 Laternal sinking fund 3s 197 External sinking fund 3s 197	4 913 8 44 913 8 913 8 913 8 913 9 9 913 9 913 9 913 9 913 9 913 9 913 9 913 9 913 9 913 9 9	4 93 4 4794 4 7814 6 7714 6 7714 6 7714 6 7714 6 7714 6 7714 6 7714 1 7514 6 8114 117 5176	38 1/4 78 9/4 38 1/4 38 1/4 38 1/4 117	38% 38% 38% 38% 38% 38% 38% 38%	39 % 39 % 38 % 80 % 	46% 92% 90% 	80 1/2 80	39¼ 80½ 80½ 80½ 39½ 39½ 39½	90 46 14 79 %	91% 48 79% 3944 39	379	93% 79 79 /2 79 /2 38%	93 ¼ 44 ¼ 44 ¼ 44 ¼ 44 ¼ 44 ¼ 44 ¼ 44 ¼	94 47½ 78¾ 38%	92 120	93%	48 ½ 88 48 ½ 82	8934 89 48% 	48 ½ 86 85 48 % 43 ¼ 43 ¼ 43 ¼ 43 ¼ 41	87 861/4 485/6 821/4 431/4 431/4 431/4 821/4	4814 4514 4314 87 7 9214 86 7	86 1/4 85 1/2 49 1	48 ½ 84 48 ½ 48 ½ 44 ½ 48 ½ 44 ½ 48 ½ 44 ½ 48 ½ 44 ½ 48 ½ 44 ½ 48 69 ½ 66 % 66 % 66 % 66 % 66 % 66 % 66 %	867a 863a 483a 87 443a 861a 4434 4434

BONDS	January Low High	February Low High	March Low High	April Low High	May Low Eligh	June Low High	July Low High	August Low High	September Octob Low High Low		
Colombia Mortgage Bank 6½s	50¼ 54 102 104 44½ 46½	55 59 103 1/4 104 46 1/4 46 1/2 39 1/4 40	74¼ 74¼ 53¼ 54½ 103 103¼ 46½ 47	52½ 58 102½ 103½ 47 47½	57 58½ 102¼ 103 46½ 48 39½ 39½	57 5734 1021/4 103 45 45 36 36	52¼ 56½ 103½ 105 45 47½ 34 34	54 58¼ 105 a107 44½ 44½ 34 34	103 106 1031/4	80 ½ 80 61 % 59 ½ 60 103 % 103 ½ 103 48 ¼ 47 47 39 37 ½ 37	16 80% 61% 14 103% 104% 14 47 47
Denmark (Kingdom) 4½s 1962 Called bonds (April 15) El Salvador (Republic of) 3½s extl s f \$ bonds Jan 1 1976 3s extl s f \$ bonds Jan 1 1976 Estonia (Republic) 7s 1967 Frankfort on Main 6½s 1963 4½s sinking fund May 1973	101¼ 101¾ 99½ 99½ 73 73½ ————————————————————————————————————	99% 101¼ 99¼ 99½ 76% 76% 75¼ 75¼ 15½ 15%	101% 102 76% 79	102 103 	76% 76% 76% 15% 90 90	100¼ 101¼ 77% 77%	100¼ 100¼ 79¼ 85 77% 77%	100% 100% 77% 77%	100½ 100½	82 82 82 15½ 15% 15 95% 96½ 96	
Serman (Federal Republic of)	96 99% 76 79  89% 94% 82% 84 91% 95% 74 79  141 141 128 135 21 24% 19 23 180 180 87 91%	99 102 78¼ 79½ 93 94½ 84½ 85½ 96¼ 99¾ 77% 79¼ 136⅓ 136¼ 22 24⅓ 20¾ 21¾ 93¾ 94	100% 101% 77 78% 91% 93% 84% 86 98 100% 77 78% 139 20% 22% 19 21 94% 96 101 101	101¼ 102% 77 78 91¾ 93 85% 85% 99¼ 100% 77 78¼ 145 147 139 139 21¾ 23% 19 21½ 96 96¼	102 103 78½ 79¾ 91¾ 92 86¾ 86¾ 99½ 101 78½ 80 148 148 140 140 20½ 23½ 19¾ 21½ 96¼ 97¼	102½ 103½ 78½ 80% 91½ 92¾ 86¾ 89 99% 101½ 78¾ 80½	81¼ 83 92¾ 94 89½ 95 101 104 80½ 83½ 140 149 143 143 22 23¾ 20% 22¼ 98 99½	104½ 106% 83% 88 94¼ 95 94¾ 97% 103½ 105½ 84½ 89 151 154 143 145 21½ 24½ 20¼ 23½ 99¼ 99¼	145 145 147 20% 24% 23% 19½ 23¼ 22 99% 99% 99% 99%	87 87 88 95¼ 92 94 99 97¼ 98 104 103½ 104 87¼ 87 88 154¼ 154 154 147¼ 147 148 24¾ 22¾ 22 23½ 20¼ 22 99%	86 86% 84 92 92% 84 96½ 97¼ 84 102 103% 86 86% 8 153 154½ 8 145 146 8 145 146 99½ 99½
Helsingfors (City) extl 6½s	61% 64% 59 63	63 64¼ 61 62¼ 63¼ 65 127½ 129½ 103½ 105 98¾ 100 11½ 12	101 101 63% 65 61% 63% 	63% 66% 62% 62% 68	100 104  66 67% 63 65% 67¼ 69¾ 131 135½ 206 206 104¾ 104% 101 102¼ 10¼ 10¼	100 100  67 72  64½ 70	99 99½ 68¼ 72½ 67¼ 69% 70 73½	68% 71 67% 69% 70% 73 140 140 102% 103% 187% 187% 99% 100% 10% 13		98% 101 101 71% 67% 70 69 67 69 72% 69% 71	0 68½ 72 0¼ 67¾ 70 1¾ 70¼ 72½ 105 106½ 134 100 102½
Medellin (Colombia) 6½s 1954 30-year 3s \$ bonds 1978 Mexican Irrigation— 4½s assented (1922 agreement) 1943 4½s small 1943 New assented (1942 agreement) 1968 Small 1968 Mexico (Republic of)— 5s of 1899 due 1945 Large Small 5s assented (1922 agreement) 1945 Large Small 5s assented (1922 agreement) 1945 Large Small 1945 Large Small 1945 Large Small 1945 Large Small 1945	44½ 47%	13% 13%	461/2 47	47¼ 48½	471/2 475/6	13% 14% 	13% 13%	13% 13%	47½ 48¼ 48¼ 	49 48 48 14 14 15 19 19 19	
Large Small 4s of 1904 (assented to 1922 agreement) 1954 4s new assented (1942 agreement) 1968 4s of 1910 (assented to 1922 agreement) 1945 Small 4s new assented (1942 agreement) 1963 Small Treasury 6s of 1913 (assented to 1922 agreement) 1933 Small 6s new assented (1942 agreement) 1963	181/8 183/4	13% 13% 18 18 17% 17% 1934 1934	13% 13% 13% 13% 17% 17%	13% 13½ 17½ 17½ 20½ 20%	13% 13% 	13½ 13½ 18 18¾ 18 18¾	13¼ 14¼ 17¾ 18	18 18½ 17¾ 18½ 20½ 20½	13¼ 13¼ 13¼ 13¼ 13¼ 13¼	13¼ 13¼ 13 	13% 13% 13% 13% 17% 17% 17% 20% 20% 20%
Small		45 481/2	44 451/2	4234 44	421/2 431/2 431/4 431/4	132 132  44 44  44 44 99½ 100	99% 100%	99% 100%	48 48 — 50 50 49	49 44 45	43 43
External sinking fund 4¼s old 1965 Called bonds April 1 External sinking fund 4¼s new 1965 4s sinking fund external loan 1963 5¼s s f ext loan 1973 Municipal Bank extl s f 55 1970 Nuremberg (City of) 6s 1952 4½s debt add 1972 Oslo (City of) 5½s ext 1973 Oriental Development Co Ltd—6s external loan (30-year) 1953 6s due 1953 ext 1963 5½s external loan (30-year) 1958 5½s due 1958 ext 1968	99% 100% 98% 99% 99% 99% 101% 101%	99½ 99½ 99 100 99½ 99½ 100¾ 102 85 85 	99½ 100 99½ 99½ 99½ 100½ 99½ 99½ 	100 100% 99% 100% 99% 99% 100% 100% 	100 100½  99½ 100¼  99½ 99½  100% 100%   100 101½  181 181  95 97%	99 99½ 99½ 100¼ 100½ 100½	99½ 100½ 99¾ 100½ 100½ 100¾ 100½ 100¾ 98½ 100¾ 197 197 101 101% 94¼ 98	100 1/2 101 3/4 100 1/2 101 1/2 100 1/2 100 3/4 92 92 99 3/4 102 1/4	97 100 9534. 98 1001 <sub>8</sub> 95½ 98¾	97½ 99 99 99¾ 98¼ 98 100 — — — — — — — — — — — — — — — — — —	96¾ 97½ 97½ 98¾ 99 % 
Pernambuco (State) 7s	74 74 75 %	44 46 76 76 75 76 75 76 76 76 18 18 18 18 13 16 15 15 15 15 16 14 16	47% 47% 78 80 	81½ 81½ 79 82½ 79 81 16½ 16½ 16½ 16½ 16½ 16½ 16½ 16½ 15½ 15½ 15½ 14½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15	42% 42% 79% 80 79 79 79 79 79 79 79 79 79 11 11¼ 14% 17% 11 11¼ 14% 17% 11 11¼	78¼ 79 78¼ 78% 78¼ 14 12½ 14% 14½ 14% 12½ 13%	43 43 79% 80 78% 80 78% 79 12% 12% 12% 12% 14% 14% 12% 12%	80½ 81 79¼ 81 79 81 14½ 14½ ————————————————————————————————————	81% 81% 82 13% 13% 13 = = 13%	- 43 43 82 82 82 82 81 81 81 81 14¼ 12½ 12 14 12½ 12 14¼ 14¼ 14¼ 14¼ 14¼ 14¼ 14¼ 14¼ 12½ 13 13	1/4 81 81% 1/4 81% 81% 3/4 1/6 11% 12% 1/6 11% 11/4 1/4 14/4
Stamped pursuant to Plan A (int reduced to 2.375%)2001 7½s 1966 stamped Int reduced to 2.25%2006 Prussia (Free State) 6½s s f gold extl ('26 loan)1951 6s s f gold extl ('27 loan)1952 NOTE: All bond footnotes shown of	50 50 53 53½  on page 28.	49% 49%	48% 48%	50 50  110 110 112 112	55 55 48½ 48½ 112 112	58 58 53 53 =================================	53 53%	122 122	54 54	55 55 48¼ 491 124% 124°	1/2 481/2 481/3 1/6

BONDS	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Rhine-Main Danube 7s1950 Rhodesia & Nyasaland 534s1973			= =		= =		= =	96 <sup>3</sup> / <sub>89</sub> 97 <sup>1</sup> / <sub>89</sub>	961/2 97	96% 97%	96% 97%	9612 9714
Rie de Janeiro (City) 8s	541/2 547/	6 55 55	55 56 66 66	57 57	57 57½ 66 66¼	51½ 53	= =	54½ 55 68¼ 68¼	541/2 541/2	56 56¼ 67½ 67½	531/4 55	55 58
Stamped pursuant to Plan A (interest reduced to 2%)_2013 Rio Grande do Sul (State)- External 8s loan of 19211946	38% 39%	4 38 3834	37% 38%	371/4 373/4	37% 38%	381/8 381/8	381/2 391/2	39% 40	38 39	38% 38%	38% 38%	383 <sub>8</sub> 383 <sub>8</sub>
Stamped pursuant to Plan A (interest reduced to 2.5%)_1991 External sinking fund gold 6s_1960	62 63	62½ 63¼ 78½ 78½	78 78		641/2 69	82 82	= =	79 79	= =	66 70		63 63
Stamped pursuant to Plan A (Interest reduced to 2%)2011 External 7s loan of 19261966	1 = =	50 511/2	511/2 52	62 52	51% 541/4	50 56%	49 49	50% 51 85½ 85½	52 52 86½ 86½	52 521/2	52% 56	52 60
(Int reduced to 2.25%)2006 7s 1967 stamped Plan A (Int reduced to 2.25%)2006	5234 523		52¼ 52¼ 52% 52%	53 53	54 60 53 53 129 129	51 54	51 51%	53 53	53 54 51 52	57 57%	56 5934	52 52
Sao Paulo (City)—  Sao Paulo (City)—  Sao extl secured s f	-									57 57		
Int reduced to 2.375% 200: 61%s external sec sinking fund 195: Stamped pursuant to Plan A Int reduced to 2% 201:	7	56 56  55 55	56 56  55 55	551/2 551/2		55 55			58 60%	57 58		57 57
Stanped pursuant to Plan A (Interest reduced to 2.5%)_199	9 97 98	93 93	92 92	931/2 931/2		.95. 98	95 98	4 000 A	92 92		901/2 1901/2	92 92
External 8s		On that Art GS and GS a	95 95	= =	95 96	95 97	121 121	95 95	96 96		95 951/2	
Stamped pursuant to Plan A (int reduced to 2.25%)200 External dollar loan 6s	89 90	92 96	92 96	88 88	= =	= =		921/2 921/2	93½ 94		93 93	93 93
(interest reduced to 2%)201;		92½ 92% 95% 11½		88 88 12½ 12½	92 92	921/4 97	93 95	90 91	21% 31%	89 90 11½ 15¼	131/2 214	12% 14
External secured 8s 196 External secured 7s series B 196 Chinyetsu Elec Power Co Ltd 195 14s 1st mtge s f 196	2 8½ 10	9% 12	11% 11½	10% 11%	10 10%	10 11½	10 10%	10 12%	11% 12	11½ 15½	13 14	12% 14 12 14½
#45 due 1952 extended to196 #5itesia (Province) external 7s195 #45 assented195 #5outh Africa (Union of) 444s196	93 943	11½ 11½ 92½ 93%	931/8 95%	12 12 93% 95¼	101 101 15 15 13 13 95 961/4	11¼ 11¼ 95½ 97½	101 101½ 11 11 97 98½	10½ 10½ 98% 99	101 101% 10% 10% 99% 99%	10% 11% 97¼ 100¼	10 <sup>3</sup> / <sub>4</sub> 10 <sup>7</sup> / <sub>8</sub> 94 <sup>3</sup> / <sub>8</sub> 97 <sup>1</sup> / <sub>6</sub>	141/4 143/8 105/8 111/4 941/4 951/2
Taiwan Electric Power Co Ltd—	1		97% 98%	98 9834	97½ 98%	97½ 98¾	9834 1001/2	995 1015 95	100 101 1/4	99% 100%	99 100 14	9812 9912
5½s extended to 198 Tokyo (City of)— 5½s exti loan of 1927—196 8½s due 1961 ext 197	1 100 100	-	98 1/8 98 1/8	184½ 184½ 99½ 99½		100 100	100 100	94 95	981/2 993/4	9934 1001/2		9912 9912
With March 1 42 cpn on		194 194	193 193	196 196		***	198 198	199% 200			II II	
6s 1st mtge \$ ser195 6s 1953 extended to196 Urugnay (Republic of) — External 8s194 Ext sinking fund 6s196		98% 99%		1001/2 1011/2	100½ 101%	100% 101%	9934 103%	10058 1021/2	1005 8 10134	100 % 102 %	102 103	10012 10214
Ext sinking fund 6s 196 Ext sinking fund 196 334-4-4/ss (\$ bonds of 1937) External readjustment 197	78 82	1/2 83 86	83½ 89 95 95	831/4 841/6	831/4 841/2	82½ 84 88 88	831/8 851/2	86 90	871/2 921/2	841/2 871/2	82 1/2 85	8254 85
External conversion 197 3%-4%-4gs external conv 197 4-4%-4%s external readjust 197 3%s external readjustment 198	8 87 90	88 891/2	95 95 86½ 86½ 85½ 89	87½ 89 89 90	89 96 92 94½ 85 85½	88 88 86½ 97½ 90¾ 94½	88½ 89 87½ 88½ 91 92	92 92 91 91 93 95	92 92½ 91 93½	91 93½ 91¾ 93	87 88 91 <sup>3</sup> 4 92 <sup>1</sup> 4	881a 8814 90 90 92 9412 87 87
valle Del Onuca  See Cauca Valley (Dept of)  Warnaw (City) external 7s 195  41/28 assented 195	0 14 14			14½ 15 11½ 11½	13% 13%	12 131/2	11 12 9½ 11	12½ 13% 9½ 10	12 12 11 11	13 13	12 12 934 10	1112 1112
Yelrohama (City of)— 6a external loan of 1996———————————————————————————————————	1	99% 100	981/2 981/3	9914 100		100 100	99% 100	100 100 %	11 11 11 100 1/8	101 1/4 102	9 <sup>3</sup> 4 10 102 102	
Railread and Industrial  Companies	102 11				- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1-	er alor y		4				
Ala Gt South 1st m 31/45 ser A196	7	P21/	07	0.504		93 93		931/2 931/2		931/2 931/2		
Alabama Power 3½s	86 86 15 = = = = = = = = = = = = = = = = = = =	93 1/2 93 1/4 86 1/4 87 1/2	871/2 90	95% 98%		97½ 99 94 94 94 97	98½ 98¾ 94¼ 94½ 92¼ 95	98 98%	911/ 3=	95 95	9034 90% 95 95¼ 9734 104¼	953a 953a 102 107
Alleghany Corp 5s debs series A196 Allegheny Ludium Steel Corp	97 97 81 96 100 98 61 61	95 96 % 14 99 % 102 %	96 97	95 97 101 103¼ 63 63	97½ 98% 99½ 103½	94 97 97 99 102 10534	99 100 100 105	98 99 103½ 107	91½ 97 97³, 99 102¾ 107½	96 97 99¼ 99½ 105¾ 111	9734 1041/2 981/4 100 1091/4 1133/8	993 <sub>8</sub> 100
Allied Chemical & Dye 3½s deb_197 Aluminum Co of Amer 3½s196 38 s f debs197	99½ 101 34 98¼ 100 91½ 94	9834 100 ½ 99½ 100 ½ 92 92 ½	98½ 99¾ 2 100⅓ 101¼ 92⅓ 93	98½ 100 100¼ 101¼ 90 92¼	911/4 93	9834 99½ 9956 101¼ 92 93	99½ 100¾ 90 92½	63½ 63½ 94⅓ 98¼ 97¼ 100½ 89 93	63 <sup>5</sup> 8 65 93 <sup>1</sup> 4 95 97 <sup>5</sup> 8 99 88 <sup>3</sup> 8 88 <sup>1</sup> / <sub>2</sub>	65 65 1/8 93 1/2 95 1/4 98 1/8 99 1/3 83 1/2 85	66 68 % 93 ¼ 94 ½ 99 100 84 % 84 ½	65 68 93 94 <sup>3</sup> 4 97 100 84 <sup>1</sup> 2 87
41/48 s f debentures 198 31/48 s f debentures 198 Alum Co Canada Ltd 31/48 debs 197 41/28 s f debentures 198	70 100 1/2 102 30 105 107	100 1/8 102 1/4 105 3/4 106 3/4	1001/4 1013/8 1053/8 1061/4	104 105 % 105 % 101 102 105 1/2 107	104 ½ 106 ¼ 100 ⅓ 101 ½ 101 ½ 102 106 ⅙ 107 ⅙	105 1061/2 993/4 1013/4 1011/2 1031/4 1057/6 1081/4	105¼ 106¾ 98½ 101 101 103	9934 10636 9414 9934 9812 102	99 100½ 92½ 94½ 96 99	995/8 1023/8 931/2 961/4 961/8 983/8	101 1/4 102 95 1/2 96 3/4 97 98 1/8	100 <sup>5</sup> 8 102 <sup>1</sup> 4 95 <sup>1</sup> 4 96 <sup>1</sup> 2 97 <sup>1</sup> 4 98 <sup>3</sup> 4
American Airlines 3s debentures 196 Amer Bosch Corp 334s debs 196 American Can 334s debs 199 Amer & Foreign Power deb 5s 203	36	87% 87%	4	81 87¾ 100 100¾	89 90 100 1013a	90 901/2	90 101 1/4	100 <sup>1</sup> / <sub>4</sub> 105 <sup>3</sup> / <sub>4</sub> 90 90 94 99 <sup>1</sup> / <sub>4</sub>	97½ 99¾ 90 90 92¼ 93¾	98 <sup>3</sup> 4 103 ½ 90 90 <sup>3</sup> 6 92 96 <sup>3</sup> 4	101¼ 102³₄ 50 90 95 96½	100 <sup>1</sup> 2 102 90 93 94 95 <sup>7</sup> 8
American Mach & Foundry Co—  4 1/4s subord convertible debs	37 71 72 31 109 4 119	72 74 74 74 74 74 74 74 74 74 74 74 74 74	72½ 74¼ 4 113 120½		74 751/2	81% 84 75% 78½ 111½ 117	81½ 83½ 74 76	81 % 82 % 75 34 77 34 120 1/2 134	80% 83¼ 76 77½	82 1/8 83 1/4 74 1/4 77 3/4	62% 84½ 75¼ 77¼	83 85 <sup>3</sup> 4 75 <sup>3</sup> 4 78 170 <sup>1</sup> 4 181 <sup>3</sup> 8
5s conv subord debs	10 86 87	1/2 84% 86%	8 84 85½	108% 109% 84% 88½	107½ 110 85½ 87½	107% 110%	11014 1171/2	113 118	130¼ 149¼ 116 125	147½ 171 124 141	167 190 137 155	137 148
2%s debentures 197 2%s debentures 198 2%s debentures 198 2%s debentures 198	5 88 89 6 82 1/4 84 12 85 7/8 87 17 85 1/4 86	1/2 87 88% 1/4 82 83 85 1/4 87 1/4	85½ 89 79½ 81 4 84 85%	88¼ 91½ 80½ 84 84⅓ 87	89 1/6 92 81 83 1/4 85 87 1/2	90 92¼ 78¾ 82¼ 83¾ 86¾	85 91 3/8 77 1/2 79 3/4 82 83 3/4	78 82 81 86 75 7758 79 8114	77½ 79% 82 85 75 78 76 78½	77 <sup>3</sup> / <sub>4</sub> 82 82 <sup>1</sup> / <sub>2</sub> 84 75 76 <sup>3</sup> / <sub>8</sub> 77 <sup>1</sup> / <sub>2</sub> 79 <sup>1</sup> / <sub>2</sub>	7836 81 8156 83½ 7516 76¼ 7816 80	78 79 <sup>12</sup> 81 <sup>3</sup> 4 84 74 <sup>1</sup> 4 75 <sup>18</sup> 78 79 <sup>1</sup> 4
3%s debentures 197 2%s debentures 197 3%s debentures 198	98 99 1 91 92 14 93% 95	78 98% 100 34 90% 91% ½ 93% 94%	97½ 99½ 90 91% 91½ 94¼	84¼ 87½ 98½ 100% 91 95 92½ 96½	99 100% 93% 95 94% 96%	84½ 86% 99 99% 91¾ 94 93¾ 95	82 84 1/8 96 100 88 92 90 1/2 93 1/4	77½ 83½ 92 98¾ 86¾ 88¾	77 79 1/8 91 94 85 86 3/4	78 79¼ 91½ 95 84½ 87	787 <sub>8</sub> 80 91 <sup>1</sup> / <sub>4</sub> 92 <sup>1</sup> / <sub>2</sub> 86 <sup>1</sup> / <sub>4</sub> 88 <sup>1</sup> / <sub>2</sub>	78 80 9036 921/2 86 88
3 % debentures 198 4 % debentures 198 5 debentures 198 4 % conv debs 197	99 ½ 101 5 104 % 105 3 107 % 109 3 124 % 128	1/4 100 101 1/4 104 1/4 106 1/4 1/6 109 1/4 110 1/2	98% 100½ 4 103½ 105⅓ 108 110	100 102 3/8 104 1/8 106 1/2 110 111 1/8	101% 102¼ 105% 106½ 110% 111	99½ 101% 105½ 106¼ 110% 112	97 100½ 103¾ 106¼ 107¾ 111¾	83½ 90½ 94¾ 97¾ 99¾ 104¼ 106 1085		83½ 86 92½ 95 99¾ 101¾ 106 109	841/2 851/2 921/4 941/4	83 84 <sup>3</sup> 4 90 <sup>1</sup> 4 93 <sup>3</sup> 4 99 <sup>3</sup> 6 101 <sup>1</sup> 8 107 <sup>3</sup> 6 108 <sup>3</sup> 6
American Tobacco debentures 3s_196 3s debentures 196 34s debentures 197 Anglo Lautaro Nitrate Corp	97¼ 99 9 94% 97	1½ 97½ 99 1¼ 95 96%	98 1/4 100 95 1/2 97	128% 134% 99 101% 95% 99 93% 95%	100½ 101¾ 97% 98½	134 % 137 ½ 100 ½ 101 97 % 99 ½ 94 95 ½	134 <sup>3</sup> 4 137 <sup>1</sup> 4 100 <sup>1</sup> 4 101 <sup>1</sup> 4 96 <sup>1</sup> / <sub>2</sub> 99	137¼ 141 99 101 91½ 97 88½ 90¼	1401/4 1531/2 95 981/4 901/2 921/8	147 1 153 1/8 95 1/2 98 1/2 89 1/4 92	151% 161 98% 99% 91% 93	98 99 <sup>1</sup> 4 92 <sup>1</sup> / <sub>2</sub> 94
Anheuser Busch 3%s debs 197 Ann Arbor 1st gold 4s July 199	7 9238 923 5 6156 623	% 92% 92% %	98½ 99 93½ 93½	98% 98% 94 94	94½ 95 65% 65%	95 95½ 65½ 65½	995% 995% 95 % 95 %	99% 99% 94 95	99% 99% 88½ 88½	85 <sup>3</sup> 4 88 <sup>3</sup> 4 99 <sup>7</sup> 8 100 89 89	87½ 89¼ 100 100 885 88¾	
A P W Products 5s 196 Armour & Co 5s inc subord, debs 198 Associates Invest 3%s 196 4½s debentures 197	6 76 76 4 69½ 76 2 97½ 99 6 104½ 105	36 7134 7512 12 9834 10014	991/2 1001/2	90 91 76¼ 79 100¼ 101¾	x75 1/2 79 1/2 100 1/2 100 7/8	89% 90 76 79¼ 100¼ 101%	91 92 74½ 79½ 99½ 101	64 64¼ 77 80 97½ 100½	61% 62½ 77½ 79¼ 94 94	65 65 781/8 791/4	65 65 x76 78%	65 65 7714 79 97 9712
5 % debentures 197 Atchison Topeka & Santa Fe	7 1091/2 1091/7 1111/6 112	104 105 1/4 109 1/2 110 111 111 1/6	104 105 14 107 34 109 110 1/2 111 34	104% 105% 108 110% 111 113%	104 % 105 % 109 109 % 112 % 113 %	104% 105% 109 109% 113% 114%	105 105 1/4 108 1/2 109 1/2 112 1/2 114 1/2	104 104 12	94 94 103½ 104 106% 106% 105 106	95% 96% 101½ 102 104½ 105 105¼ 109	96% 99½ 102½ 103½ 105 106½ 109 109%	97 97 2 102 2 103 2 105 107 105 2 108
General 4s 199 Stamped July 199 NOTE: All bond footnotes shown	5 98 101		102¾ 104¾ 98 100	103¼ 107½ 98¼ 99	104 107 99 102½	102½ 106½ 98½ 102½	100% 104¼ 97¾ 100	99½ 102 95¾ 97	95 99½ 93 93½	94½ 100 91 93½	99 100½ 92 93	96½ 99½ 92 94
	on page 20								Contract of the second	THE RESIDENCE		100

BOND8	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Atlanta & Charlotte Air Line— 1st mortgage 3%s	93 93 98½ 103 84% 85½ 91½ 91½ 94 97 96 99¼ 107¾ 109½	97 97 102½ 103% 84¾ 85½ 91½ 91¼ 96 97½ 98 98½ 107½ 109%	100 103 83½ 85  93 96 97 97½ 106½ 108¾	101 102 % 84 85 88% 89 96 96 % 95% 97 107 109%	96 98 100% 102¾ 83 83½ 87 88 95½ 96½ 97 97½ 108¾ 109¾	96½ 98 100% 103½ 82 84¼ 88 92¼ 96½ 97% 97½ 98 107% 109%	95 1/a 95 1/a 102 1/2 105 84 85 93 1/a 93 1/a 93 1/a 96 1/2 95 1/a 96 1/2 109 110 1/4	100½ 104 82½ 82½ 93½ 95 91½ 94 95 96 104¾ 111	99¾ 101½ 82⅓ 84 88 93½ 90 91½ 87¼ 94 104¼ 107¾	98 101½ 02½ 02¾ 87½ 89½ 89 92½ 87% 87% 107 109¾	95% 95% 100% 101½ 83% 85% 88 89% 92% 92% 47% 89% 109% 114%	96 96¼ 101 102% 86¾ 97 89% 93 91¼ 92% 88¼ 90¼ 111¼ 114
Baltimore & Ohio RR—  1st cons mtge 3%s series A——1970 1st cons mtge 4s series B——1980 1st cons mtge 4%s series C——1995 Convertible 4%s income—Feb 1 2010 4%s conv debs series A——2010 Baltimore Gas & Electric Co—	82 83½ 72 74¾ 72½ 74¾ 71½ 75 65 67¾	82 83 72½ 75½ 73½ 76% 71½ 74½ 65% 67%	81 82½ 72 74½ 73½ 75 71 72% 64¼ 66½	80 83 70½ 75 72¼ 76½ 70 73½ 63½ 69%	82¾ 85½ 73½ 77 75 78 71¼ 75¾ 68½ 75	85 90 7634 8044 77½ 82½ 74½ 76% 72 74%	87½ 89% 76½ 80 80 81½ 74½ 76 69½ 72%	84 86 76 78 74 78% 723% 76 71 74%	84½ 85½ 74½ 77 74½ 76 74% 76% 72 75	84½ 86 74% 76 75½ 77¾ 74¼ 76¼ 73½ 74%	85½ 86½ 74% 77½ 76 78 74¼ 75% 73 74%	87 89½ 75¼ 78 76½ 79½ 76 79¾ 73½ 74%
1st & ref 33 series Z     1989       1st & ref 3½s     1990       1st ref mtge s f 4s     1993       Bell Telephone of Pa 5s ser C     1960       Beneficial Finance 5s     1977       Beneficial Industrial Loan 2½s     1961       Berlin City Electric 6s     1955       6½s sinking fund debentures     1951       6½s sinking fund debentures     1951	89 89 	100 ½ 100 ½ 106 ¼ 108 ½ 94 ¼ 95 ½ 165 165 176	99% 100 % 108% 108% 96% 97%	88½ 88½ 90½ 92 	102¾ 103¾ 108 109¼ 97¾ 98½ 	102% 104 109% 109% 98% 98% 182 182	101% 103¼ 108½ 109% 99 99 172 172	98¼ 101 103 105¾ 94½ 96½	98 98½ 102½ 105 94½ 95½	91 91 103¼ 105½ 94% 95	87 87 98 99 10714 1071/2 951/2 961/2	86 86 97% 98% 104½ 107½ 95¾ 96 176 176
Berlin Power & Light Co—    Debt adjustment   47as debentures series A   1978     47as debentures series B   1978     Bethlehem Steel Corp—    Cons mtge 234s series I   1970     Cons mtge 234s series J   1976     Cons mtge 23 series K   1979     34as convertible debentures   1980	67 77½ 67½ 71% 91% 92½ 87 87½ 89½ 89½ 112½ 119½	81 84 77% 77% 91 94 	81% 81% 78% 78% 92¼ 93½ 88 88¼ 93¼ 93¼ 117½ 122½	80% 80% 	84 85% 80½ 80½ 93¾ 95½ 92½ 92½ 120 126⅓	84 84% 80½ 80½ 94% 95½ 88 92½ 95 120½ 127%	86 86¼ 	86¼ 87 	92½ 93 89 90½ 86½ 92 86½ 87½ 88 88 137½ 151	93 93 89 89 86½ 91½ 86 89 148 173	90 91¼ 	80 83½ 87% 88% 82½ 83 85 86 151 167
Boeing Airplane Co-	91 91 56 56 53 57½ 31½ 40%	89½ 89¾ 56½ 58½ 51½ 56¾ 34½ 41 92 92 87¾ 89	90 90 56 57½ 65 65 49 53% 33% 35% 92 92 85½ 86	55 58 49 5794 34 4174 92 95 86½ 88 85½ 85½	91 91½ 56 58¼ 63 63 54 58 34¼ 37½ 87¾ 88½	9134 92½ 56½ 62 66 66 58½ 65½ 3434 3834 9356 9434 88 89	91 91 61% 65 65 65 62 67 34½ 38 93% 95 86% 86% 99% 101½	107 111½ 91 91 62 67 65 68¾ 37½ 39¼ 	107 112 63 67 63¼ 63¼ 65⅓ 69⅓ 38 47 	110 128¼ 66 69 66 70 44 49 92 92¾ — — — 97 98⅓	114½ 128 85½ 85½ 63½ 67 67% 69½ 43 46 91 91 82 82 98% 98%	115 119% 85 97 63 65 65% 65% 63 68% 41 46 91 91% 81% 82% 9834 96%
Brown Shoe Co 3 %s debentures	95 96 143% 165 881/4 90 1097/4 1151/4 100 100 87 871/2	97 1/2 98 150 165 89 90 109 1/2 114 1/4 100 1/2 101 1/2 86 1/2 89	98 98 165½ 167¾ 87¾ 87% 108½ 111 100½ 101½ 87 89	110½ 115½ 88¼ 89 109 112¾ 100½ 100% 88 95	94 98 110 114% 88 89 110% 113¼ 100½ 102 96 96	94% 94½ 11134 117½ 89 90 113 11934 100¼ 106½ 96% 97	95 95 114¼ 117¼ 89 90 111½ 114½ 101½ 101½ 91 97¼	94½ 95½ 114¾ 120¼ 111¾ 114 92 96	118 ½ 137 81 81 113 114 ½ 101 ½ 101 ½ 92 ¾ 97	93 93 132½ 186 91¼ 81% 114½ 120% 100¾ 101 92 95	165 183 % 83 83 -114 120 100½ 100¾ 91 93	94 94 94 94 95 95 95 95 95 95 95 95 95 95 95 95 95
California Elec Power 3s1976 California-Oregon Power 3½s1974 Canada Southern cons gtd 5s A1962 Canadian Pacific—  4% debenture stock (perpetual)—— Capital Airlines Inc—  4½s cony subord debentures1976	89 89 100 103 92½ 93% 56% 72	89 92 92 92 99½ 102% 92% 95% 68 72%	99¼ 100½ 94¼ 97 68¾ 71	91 91 99¾ 100¾ 97¾ 99 66¾ 70¾	88½ 88½ 91 92¾ 99¼ 100 97 98½ 65 70¼	88 88 89 90½ 97 100 95% 98¼ 67% 70%	95¼ 98¼ 93½ 97¾ 67½ 70½	92 96 93½ 98 67½ 72¼	93% 96½ 96 97% 67 70%	96% 99% 91 96% 68 70	80 80 84 90 98¼ 99½ 93½ 95% 68 70	80% 80% 83 83 98% 99% 93% 94% 69% 81
Carolina Clinchfield & Ohio 4s         1965           Carthage & Adiron 1st gtd 4s         1981           Case (J I) Co 3½s         1978           5½s conv subord debs         1983           Caterpillar Tractor 4½s         1977           Celanese Corp of Amer deb 3s         1965           3½s debentures         1976           Central of Georgia Ry	99¼ 100¼ 56 57 76 76 105¼ 106¾ 86 89 76 81½	100 100 ¼ 80 82 105 ¾ 106 % 88 94 79 ½ 81 ½	100 101 55% 55% 82 82 105% 106½ 90 93 79 79	100 1/4 101 52 1/8 52 1/8 	101 10134 501/6 501/6 	100¼ 101½ 50% 52% 	100½ 100¾ 82 82 106½ 107½ 93¼ 94½ 84 84 80 82	100 101 51 52 82 821/4 1063/8 1063/8 93 94 83 84 78 80%	100 100 51½ 53 	94 94 56 56 82% 82½ 100½ 103¼ 89% 90% 82½ 82½	95½ \$7 57 57¼ 78½ 79 112 118 103¾ 106 85¾ 90 82¾ 84	96 97  115% 117% 103 106 87% 90% 84 84
15t mortgage series A   1995	75 75 ½ 60 62 42 45% 91 93 90 90 93 93 90 1/6 91% 93 ½ 93½	74¾ 76½ 62% 66 42½ 45 91½ 93 90% 91½ 93 93 93 95¼ 95¾	75 76 68 68 ½ 38¾ 42½ 90% 91½ 93 93 95¼ 95¼	x83 83 x63 6934 39½ 44¼ 91 92½ 91 91 93 93 95½ 9534	63 65 42 43½	64% 65% 42½ 44 92 93½ 90¼ 90¼ 95½ 95½	83 83 64 1/6 65 41 1/2 43 5/6 90 92 1/2 90 1/4 90 1/4 95 1/6 95 1/8	83 83 64 % 65 43 % 45 	73 74% 85 85 64% 69% 40 44% 89 89 90% 90% 93 93 95 95	74% 75½ 69% 70 41% 42% 85¼ 86¾ 93 93% 95 95	74 76 68½ 70 40¼ 42% 86 86¼ 90½ 90½ 93 93	75 78¼ 68 69¼ 40% 44½ 85 86¼ 90¼ 90½ 93 94 95 95 95⅓ 95½
Chesapeake & Ohio Ry—  General gold 4½s	89 92 88 91%	105 1/4 108 92 92 1/2 91 93 98 100 1/6 	105½ 107 91 93 92¾ 93¼ 99 100 96 96	105% 112½ 90% 93¼ 92½ 93¼ 97 98½ 100 100	93 94 93 94 9734 991/2 97 981/2	107 111 91¼ 93½ 92 92¾ 98¾ 100¼ 96 96	105 1/4 109 90 91 3/4 92 92 5/6 99 101	101% 105¼ 87½ 89. 90 91½ 96 98½	101½ 103 85 88¼ 88% 90% 95 95½	102 105 82 1/2 85 96 1/4 87 1/2 94 95 1/4	101½ 102¼ 82¼ 84 86 86¼ 94 94½	102¼ 103½ 83¼ 85 85 86¼ 93¼ 95
lst & refunding mortgage 3½s-1985 1st & refunding mortgage 2%s-1970 1st & refunding mortgage 3s-1990 1st & ref mtge 4%s-1973 Chicago & East Illinois Ry— General mtge income (conv)-1997 1st mortgage 3¾s series B-1985	85 1/4 85 1/4 58 1/4 64	85 85 85 85 4 85 4 85 4 85 4 85 4 85 4	85 85 84% 85¼ 101% 102¾ 60% 63½ 68½ 71	86 86 87 102 103 x53½ x60	86 86 86 102% 103¼ 57½ 60 67¼ 68	86 87 86 86 103 103 58% 65 68 71	85½ 86 85 86 104 104% 63 65% 68¼ 68¼	85½ 85½ 85 85 100 102 65½ 67½ 67% 69¼	83 83 80 80 99% 100% 66 71 66% 68%	82 82 ½ 80 83 ½ 97 ½ 98 66 ½ 70 ½ 68 % 68 %	82 1/2 82 1/2 85 87 100 68 71 1/2 68 1/4 69 1/6	81% 82 86 86 99% 100 67 71 70% 70%
5s income debentures Jan 2054 Chicago & Erie 1st gold 5s 1982 Chicago Great Western 4s ser A 1988 General mortgage 4½s 2038 Chicage Indianapolis & Louisville 1st mortgage 4s series A 1983 2nd mortgage 4½s series A 2003 Chicago Milw St Paul & Pac—	48 53 103 103 72 77 66 % 69 47 49 % 44 % 45 %	51 54 103¼ 103¼ 77⅓ 79 69 70 49% 51 46 46 75 80½	47 51 78½ 80 70½ 70½ 48¼ 49¼ 45% 48¾ 74 75%	46½ 48¾ 100½ 100½ 79% 81¾ 70½ 70½ 47½ 50 x40% 42¾	100 102 81 1/8 83 70 72 49 1/2 50	46% 50 100 100 82 86 73 74½ 49 52% 42½ 44½ 76¼ 81½	47½ 50 100½ 100½ 85½ 86½ 72% 74 51 53 43 44 80 81¾	49 53½ 85 86 74½ 76 51½ 52½ 44 44½ 74 80½	51 58½ 78 81 74 76 51¼ 51¼ 43½ 47 74½ 78	57 60 78% 79% 78% 78% 54 56 46% 47% 75% 78	354% 56% 95 96 80 80% 78 79 54 58 49 56 78 80	55½ 57½ 97 97½ 77 80¼ 78 78½ 55 57½ 52½ 53¼ 78½ 80
4s series A	69 71 % 51 59 45% 52% 44 49%	71 71 54¼ 57 50¼ 53 44½ 49¾ 	71 71 54¼ 58 x47% 52¼ 43 47 65% 65%	71 72 56 59% 48% 53!4 44 47!2		72½ 73¼ 57¾ 59¾ 53¼ 55½ 50% 56½	57¼ 59 55 58¾	71% 71% 58% 61% 59% 59% 55 58% 79 80	71¾ 75 59¾ 65½ x58½ 61½ 56¼ 66 ——————————————————————————————————	76 7734 63 66 59¼ 62% 64¾ 72 61¾ 62	78 80 66 69 61% 62½ 70½ 78% 62 63¼	78 1/4 80 67 1/4 69 61 1/4 64 1/4 72 1/4 78 63 63 1/4 77 77 77 17 17 17 17 17 17 17 17 17 17 1
43s. Income debentures	57 58% 57 57 93% 97 94% 95½	82 86 ½ 58 ½ 58 % 58 ½ 58 % 96 ¼ 99 ½ 95 95	58½ 59¼ 58½ 59¼ 96½ 99 05½ 96¼ 98½ 98½	58% 62 58% 58% 96% 98 95 95% 98% 99%	101 104 <sup>1</sup> / <sub>4</sub> 60 62 58.76 59.1/ <sub>2</sub> 96.96 97.1/ <sub>2</sub> 95 96.1/ <sub>4</sub>	97¾ 100 96¼ 96¾	103% 104¼ 61½ 62 60 60 96½ 98% 95½ 96¾	101% 104 62 62 	99½ 102 62 64 58½ 59 93½ 95½ 93 93½ 93 95	100¼ 102¼ 63¼ 64 59 59½ 93¼ 95½ 92% 94¾ 91 91½	101% 103½ 63 67¼ 59 59½ 94 96½ 92½ 93½ 94% 94%	102% 103 66% 66% 62% 62% 95% 97 92% 93%
Collateral trust 4%s. 1982 Cincimati Cas & Electric 2%s. 197a 1st mortgage 2%s. 1977 1st mortgage 4%s. 1987 Cinn Union Term 1st M 3%s ser E 1969 1st mortgage 2%s series G 1974 CIT Financial Corp 2%s. 1966 3%s debentures 1970 4%s debentures 1970	89 90% 104 105 100 100 87 87 98 99 10012 1011/2 9678 98%	90 1/4 90 3/4 98 98 86 86 1/2 98 78 99 5/8 100 7/8 101 1/2 96 1/2 98	89 90 104 104 1/8 98 98 3/4 86 86 99 3/8 100	90 90  99 99 86½ 86½ 100 100¼ 1015% 103½ 98¼ 100%	90 91 104½ 104% 100 100¼ 86½ 86½ 99¾ 100¾ 100½ 102% 98⁵a 100	90% 91 	90 % 91 	81 81 100 100 84½ 86½ 100½ 101% 95% 97¾ 99¾ 102¼	98¼ 98¼ 98¼ 98¼ 83¾ 83¾ 100 101½ 94 95%	82% 85 98 98% 90% 90% 80% 83% 100% 100% 92 94 98% 101%	98 98 98 98 98 98 98 42 88 <sup>3</sup> / <sub>2</sub> 91 4 81 4 100 4 101 4 92 93 4	98 ¼ 98 ½ 98 ½ 98 ½ 89 % 81 ¼ 81 ¾ 100 ¼ 101 ¼ 93 ½ 95 99 100

NOTE: All bond footnotes shown on page 28.

BONDS	January Low High	February Low High	March Low High	April Low High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Lew High
Cities Service Co 3s & f deb 1977 City Ice & Fuel 2*45 1966 Cleve Cinn Chic & St L gen 44 1993 General 5s series B 1993 Ref & impt 4½s series E 1977 Cinn Wabash & M Div 1st 4s 1991 St Louis Div 1st coll trust 4s 1990 Cleveland Electric Ili 3s 1970 1st mortgage 3*5 1962 1st mortgage 3*45 1965 1st mortgage 3*5 1966 1st mortgage 3*5 1968 1st mortgage 3*5 1969 Cleveland Short Line 1st 4½s 1961 Colorado Fuel & Iron Corp 4*6s series A conv debentures 1977 Columbia Gas System Inc 3s debentures series A 1978 3s debentures series B 1976 3*4s debentures series B 1976 3*4s debentures series B 1976 3*4s debentures series F 1981 4*4s debentures series F 1982 5s debentures series I 1982 5s debentures series I 1983 4*2s debentures series K 1983 3*4s convertible debentures 1964 Columbus & Southern Ohio Electric Co 1st mtge 3*4s 1986 1st mortgage 3*4s 1986 1st mortgage 3*4s 1987 Combustion Engineering Inc 3*4s conv subord debentures 1981 Common wealth Edison 1981	88½ 91¼ 74½ 75 58% 65% 55 56 79 79 94¾ 98 88¾ 88¾	89½ 91½ 74½ 76 59½ 62½ 54½ 54½ 58½ 54½ 78½ 78½ 96¾ 97¾ 90 96½ 96½ 92¾ 94 86¾ 91¾ 89 89 89½ 90 94½ 94½ 97 97 98 98 98 98 90 103½ 104½ 106½ 107½ 105½ 106¼ 105½ 106¼ 105½ 106¼ 105½ 106¼ 105½ 106¼ 105½ 106¼ 105½ 106¼ 105½ 106¼	88 90%4 74 75 59½ 61½ 52½ 53% 78½ 78½ 94 97 89 89 96½ 96½	88 91½	89¼ 91½ 65 65% 62½ 67½ 52% 55 79 79½ 97% 99 87 89%	88½ 91¼ 67 69 64¾ 67¾ 54½ 56% 81 81 97% 99¼ 88 68 1025 103 93 95% 91 93¾ 89¾ 90% 90½ 91¾ 89¾ 90% 95 96½ 93¾ 95 97 97½ 98 99¾ 105¾ 106 107 108¼ 104¾ 105¾ 102¼ 103% 141 145½ 98 100½ 99 101½ 93¾ 95	89 90 ½ 90 90 67 67 ½ 62 65 % 54 ½ 56 ½ 79 ¾ 97 ¾ 87 87 87 87 87 87 87 89 \$5 ¼ 96 ½ 94 ½ 95 96 ½ 94 ½ 95 96 ½ 94 ½ 95 96 ½ 94 ½ 95 96 ½ 94 ½ 95 96 ½ 94 ½ 95 97 ¼ 103 ½ 106 101 ½ 104 101 ½ 104 101 101 ½ 104 101 101 ½ 104 101 101 101 101 101 101 101 101 101	84 89% 67% 69 62¼ 65 54¼ 55½ 80 80¾ 90% 95¼ 99 100½ 95¼ 96 92 94% 94½ 94½ 101½ 103¼ 105⅓ 108⅓ 103½ 104⅓ 98⅓ 102 142 146¼ 92¾ 92¾ 99¾ 105% 90 91½	83 % 85 % 69 70 % 63 % 70 54 % 61 4 61 80 % 80 % 88 % 90 % 90 90 90 90 90 90 90 90 90 90 90 90 90	83 ½ 84 ½ 70 % 70 % 67 % 69 ½ 59 61 89 91	84% 86 72% 73 68% 71¼ 59¼ 63 81% 81½ 89½ 91 76¼ 76¼ 82 82 97½ 97½ 98 102½ 84½ 84¾ 86½ 89½ 88 90 100 103 106 106 102¾ 1037a 97 98 150½ 156 90 90% 97 99 102 105	83½ 85½ 73 73¼ 69¼ 71 59⅓ 60³8 81¾ 81¾ 89¾ 90½ 81 81½ 75 80⅓ 91⅓ 97½ 100 107¾ 65⅓ 85¾ 65⅓ 85⅓ 85⅓ 85⅓ 85⅓ 91⅓ 90³8 90³ 90³8 90³ 90³8 90³ 91¾ 92 100⅓ 102 106¾ 107 103⅙ 104³8 97⅓ 98⅓ 101¼ 102⅓ 164 90⅓ 90⅓ 104 105 116 84⅓ 88
1st mortgage 3s series I. 1977  1st mortgage 3s series N. 1978  3s sinking fund debentures. 1999  2%s sinking fund debentures. 1999  2%s sinking fund debentures. 2001  Consolidated Edison (N Y)—  1st & ref mtge 2%s series A. 1982  1st & ref mtge 2%s series B. 1977  1st & ref mtge 2%s series B. 1977  1st & ref mtge 2%s series C. 1972  1st & ref mtge 3%s series D. 1972  1st & ref mtge 3s series F. 1981  1st & ref mtge 3½s series F. 1981  1st & ref mtge 3½s series B. 1982  1st & ref mtge 3½s series B. 1982  1st & ref mtge 3½s series B. 1983  1st & ref mtge 3½s series B. 1984  1st & ref mtge 3½s series B. 1984  1st & ref mtge 3½s series I. 1985  1st & ref mtge 3½s series I. 1986  1st & ref 3½s series L. 1986  1st & ref 3½s series N. 1987  1st & ref mtge 2½s series I. 1987  1st & ref mtge 2½s series I. 1983  3 convertible debentures. 1963  4½s convertible debentures. 1972  Called bonds (June 4)  Consolidated O E L & P (Balt)—  1st ref mtge 2½s series T. 1978  1st ref mtge 2½s series T. 1978  1st ref mtge 2½s series T. 1978  1st ref mtge 2½s series T. 1986  3 ½s debentures 1976  3 ½s debentures 1979  3 debentures 1979  3 debentures 1979  3 debentures 1979	93% 95¾ 88 88 80¾ 87 84¾ 88¼ 87 87 91% 92½ 92½ 94½ 90½ 92 91% 95¾ 95 96% 99 100⅓ 106¼ 107 109 110½ 186¼ 187½ 199¾ 15¾ 92 92 93¾ 93½ 92¼ 95 99 100⅓ 15¾	93½ 94¾ 90 91¼	90% 93½ 90 90 90 90 90 90 82 84½ 87¼ 87¼ 87¼ 90% 92 93½ 92½ 92½ 92½ 93½ 93¾ 94¼ 95 96 96 96 96 96 96 96 96 96 96 96 96 96	92½ 96¾ 90 90 84 84 84½ 86 84½ 87% 90 92½ 94½ 97 88¾ 91½ 94½ 95 96 97 94 96¾ 95 96 99¼ 101 105 107 109¾ 110¾ 203¼ 203¼ 114½ 122½ 88 88½ 88 88½ 94 96 93 105½ 107¼ 106¾ 107¾	94 97¼  88% 89  85 85½	89½ 89½ 86 86	82 84 1/2 88 88 88 91 1/4 92 1/2 89 95 95 3/4 92 1/2 93 94 3/4 92 1/2 93 94 3/4 92 1/2 93 92 1/2 93 1/2 93 92 1/2 93 1/2 92 1/2 93 1/2 92 1/2 98 1/2 100 104 1/2 111 1/2 217 96 219 118 1/2 121 1/4 91 1/2 91 1/2 88 88 81 81 95 96 94 1/2 96 1/4 105 3/4 107 1/4	77% 8234 86½ 86½ 85 88% 86 91 91 91 92% 93 92½ 92½ 91 91 98½ 98½ 101 104% 107 108% 	77% 77% 77% 77% 80 82 84% 85% 86 86 86 86 86 86 86 89 4 90 1/8 87 87 86 89 102 34 105 108 115 1/2 119 1/4	77 81 1/4 76 78 83 1/4 85 % 87 88 82 83 1/4 85 % 87 88 82 83 1/4 86 85 1/2 86 85 1/2 87 88 89 1/4 91 1/4 83 85 % 85 1/4 87 88 1/4 88 1/4 89 1/4 102 106 1/6 108 217 1/4 228 217 1/4 228 21 82 1/2 89 90 90 99 84 84 105 3/4 107 %	7838 7932 7838 7932 78 80 8434 8614 8736 8832 8336 85 8336 85 8336 85 8376 8336 86 8832 87 8732 80 9032 100 10232 108 10834 87 8732 88 8934 90 9036 100 10232 108 10834 87 87 87 87 87 87 87 87 87 87 87 87 87 8	77 79  834 86  874 891  8212 85  8222 85  8234 86  8712 8836  8912 9034  88 88 88  86 883  90 91  100 1021  107 110  9584 97  230 23014  8212 8312  8914 8938  91 931  104 10512  106 107
5s debentures 1983  4%s debentures 1983  Consolidated RR Cuba— 3s cum inc debs (stamped as to payment in U S dollars) 2001  Consumers Power 2%s 1975  1st mortgage 4%s 1987  4%s convertible debentures 1965  3%s convertible debentures 1965  3%s convertible debentures 1966  Continental Baking 3s debentures 1986  Continental Can Co 3%s debs 1976  Continental Oil 3s debentures 1984  Corn Products Co 4%s 1983  Crane Co sinking fund 3%s debs 1977  Crucible Steel 1st mortgage 3%s 1966  Cuba Northern Ry—  1st mortgage 4s (1942 series) 1970  Cuba Railroad—  1st mortgage 4s June 30 1970  Improvement & equipment 4s 1970  1st & refunding 4s series A 1970  Curtis Publishing Co 6s sub inc debs 1986	15% 17% 17% 92½ 107% 109% 114½ 92½ 92½ 92½ 900% 92% 92% 92% 96 96 96 96 96 96 96 96 96 96 96 96 96	14¼ 16% 90 92½ 108 108% 114 116½ 93½ 94 97½ 100 91 91 91 91 91 91 91 91 91 91 91 91 91	13¼ 15¼ 89 90½ 107¼ 108½ 115¾ 119 97 97 105 96 96 90 91½ 92¾ 95 87 87 35¾ 36¾ 36¾ 36¼ 36¼ 36¼ 97½ 99	13 13% 90 92% 108 109¼ 117% 121½ 95 97 101½ 109 96 96% 90 91 87¼ 87¼ 34½ 35½ 27¼ 28 34½ 34½ 34½ 34½ 93 98	13% 15¼ 92% 108¼ 109½ 114% 119½ 95% 109% 112 96 96 90% 92 94 94 87¼ 87¼ 34½ 37 96 96 100	13½ 15½ 90¼ 93 108½ 109¼ 114¼ 119¾ 96 96 91¼ 92½ ———————————————————————————————————	13 <sup>1</sup> / <sub>4</sub> 14 90 92 104 <sup>7</sup> / <sub>6</sub> 108 <sup>3</sup> / <sub>4</sub> 112 <sup>3</sup> / <sub>4</sub> 115 <sup>1</sup> / <sub>4</sub> 97 97 <sup>1</sup> / <sub>2</sub> 109 114 <sup>3</sup> / <sub>4</sub> 96 <sup>1</sup> / <sub>2</sub> 97 <sup>1</sup> / <sub>4</sub> 92 92 94 94 ————————————————————————————————————	13 1/4 14 1/2 84 88 105 107 110 1/2 116 1/4 95 94 97 1/2 119 111 1/4 90 92 93 1/2 93 1/2 22 23 1/4 30 31 29 1/2 29 1/2 29 1/2 98 1/2 100	13 14 81½ 82½ 103 106 112 117 94 94 110% 11934 85 86 92 92 92 92 92 92 92 92 92 92 92 92 92	103¼ 107¾ 100¼ 102¼  11½ 135% 82½ 84½ 102 1057% 117 121½ 90 90%	12 13 84 1/4 85 1/2 103 3/4 105 1/4 106 1/4 106 1/4 92 93 94 3/4 85 87 103 3/4 106 1/4 87 87 1/2 89 1/4 89 1/4 32 33 22 22 3/4 26 27 1/2 30 30 29 5/6 99 101	100 34 101 34  1136 12 34 83 34 85 104 36 105 34 105 36 118 34 122 34 104 105 38 88 91  86 88 34 85 88 32 104 106 34 89 34 90 23 34 30 19 36 21 32 25 25 22 30 22 22 100 102
Daystrom Inc 4% s subord debs 1977 Dayton Power & Light 2% s 1978 1st mortgage 3s 1978 1st mortgage 3s series A 1978 1st mortgage 3s series A 1982 1st mortgage 3s 1984 1st mtgage 3s 1984 1st mtge 5s 1987 Dayton Union Ry 3¼s series B 1965 Deere & Co 2% s debentures 1965 3% debentures 1963 3% debentures 1977 4½s subord debs 1983 Delaware & Hudson 4s 1963 Delaware Lack & West RR Co- N Y Lack & Western Div- 1st & ref mtge 5s series C 1973 Income mortgage due 1993 Morris & Essex Division— Collateral trust 4-6s May 1 2042 Pennsylvania Division— 1st mtge & coil tr 5s ser A 1985 1st mtge & coil tr 4½s ser B 1985  Delaware Power & Light 3s 1973 1st mtge & coil trust 3¼s 1977 1st mtge & coil trust 2% 1979 1st mtge & coil trust 2% 1979 1st mtge & coil trust 2% 1979 1st mtge & coil trust 2% 1980 1st mtge & coil trust 2% 1980 1st mtge & coil trust 3¼s 1984 1st mtge & coil trust 3½s 1985 1st mtge & coil trust 3½s 1985 1st mtge & coil trust 3½s 1986 1st mtge & coil trust 3½s 1988 1st & ref mtge coil tr 5s 1987 Denver & Rio Grande Western— 1st mtge series A (3% fixed 1% contingent interest) 1993 Income mtge series A (4½% con—	88 89½ 106 107 95½ 95¾ 92 92 96 98 49 49 60¼ 64½ 56 61½ 53 53½ 88 91	106½ 109¾ 89½ 89½ 89½ 903¼ 106 106½ 97 97 92 92 92 97 98¼ 51 51 51 60 64 64 64 64 64 55 55 91 91 91	10734 11078 8734 8874 8874 8874 8874 8874 96 9114 9145 96 9875 8875 8875 9875 9875 9875 9875 9875	10934 11114 8836 89 	88½ 88¾	113 115	110 <sup>3</sup> 4 114 <sup>1</sup> / <sub>2</sub> 86 <sup>3</sup> 4 89 <sup>7</sup> 8	113¼ 114½  105 106½  98½ 98½  99¾ 100¾  99¾ 100¾  67¾ 68½  44 45  55⅓ 56  58 59  54 56	113¼ 121½	116 119 7934 8114	112 123 82	120 125 80 a 83 
tingent interest) 2018  Denver & Salt Lake Income mtge (3% fixed 1% contingent interest) 1993  NOTE: All bond footnotes shown on	. 93 951/2	941/2 941/2	84 85 91 93	85¼ 86 89 93	85% 90 92½ 93½	90½ 92½ 92½ 93 94½	86% 90	86 <sup>3</sup> / <sub>4</sub> 89 93 93	89 90½ 83 83¾	86 88 % 85 % 87	87 89½ 90 90	88½ 89¾ 90 90½

DONDS	January Low High	February Low High	March Lew, High	April Low High	May Low Righ	June Low High	July Low High		September Low High	October Low High	November Low High	Docember Low High
Detroit Edison Co—    General & ref 3s series H   1970     General & ref 234s series I   1982     General & ref 234s series J   1985     General & ref 234s series K   1976     3s convertible debentures   1956     334s convertible debentures   1958     334s debs conv from   Oct 1 1958     General & ref 27s series N   1994     Gen & ref. 34s series O   1980     Detroit & Mackinac 1st lien g 4s   1995     Second gold 4s   1995     Detroit Term & Tunnel 1st 44s   1961	95 97 -86½ 86% 35½ 86 90 97 152½ 152½ 117¾ 122½ 86½ 88½ 92 92½ 60 60	95½ 97¼ 85 86¾ 84¾ 84¾ 96 96 193 193 120½ 123 87½ 87½ 92½ 92¾ 	96 96½ 84¾ 86½ 84½ 84½ 92½ 92½ 157½ 159½ 123 126 92¾ 93¾ 60 60	96¼ 97¼ 84 86½ 84½ 86 195 195 155½ 155½ 121¾ 124 87½ 87½ 94 94½ 62 62 61½ 61% 97½ 99¼	96¼ 98½ 85 85 	96½ 98½ 83½ 85½ 93 95 157 157 124½ 129¼ 86% 86% 93 94¾ 62½ 62½ 61 62½ 97½ 98¾	95 96¾ 83½ 84 86 86 94 94 158 158 126 128 95¼ 96⅙ 63⅓ 63⅙ 62% 62⅙ 99 100⅙	92¾ 94½ 125¾ 127% 1 94 95	89 91¼ 75 83 	89 91 77½ 77½ 76¼ 77 89½ 92¾ 156¾ 157 127¾ 129½ 78 78 83½ 62½ 97 99	8934 91 77½ 78 90 90 129 135% 78 78½ 87¼ 87¼ 95½ 98	89 1/4 91 77 1/4 78 87 1/4 90 164 164 133 1/4 137 1/6 79 80 83 1/6 64 64 1/6 96 3/6 98 1/2
Detroit Tol & Ironton 2%s B   1976	96¼ 99¾ 95% 95¾	95¼ 99¼ 95% 97	93% 96 96% 97	97½ 99¼ 76 76 97½ 97½ 90½ 97½ 97½ 97½ 97½ 99¼	98 98¾ 99¾ 103¼ 94¾ 96 99¾ 103¼ 98⅙ 98½	97% 98% 100 102% 95 96½ 100 102% 98 98%	99 100½ 98¾ 101¾ 94½ 97 98¾ 101¾ 98 98½	97 100¼ 93¼ 95% 97 100¼ 97¼ 98¼	98% 99% 92% 95 98% 99% 95 96	99% 101% 94 97 99% 101% 95% 96%	75 75 97% 97% 94 97% 99% 100% 95% 96	96¼ 97½ 92¼ 97 90¼ 101¼ 94 95½ 159¾ 174¼
Dresser Industries Inc—  4 1/2 conv subord debentures 1977  Duquesne Light 1st mtge 2 3/4 1977  1st mortgage 2 3/4 1980  1st mortgage 2 3/4 1980  1st mortgage 3 3/4 1982  1st mortgage 3 3/4 1982  1st mortgage 3 3/4 1983  1st mortgage 3 3/4 1983  1st mortgage 3 3/4 1984  1st mortgage 3 3/4 1988	119 130½ 103½ 105½ 89% 89% 94% 94% 95 95	122½ 133 100¼ 105¾ 89½ 89% 	125½ 131 100½ 103¼ 86 89½ 	119 130 100¼ 106 86¾ 90¼ 85½ 85½	124 129% 103 105 88½ 90¼	122¾ 128½ 103½ 108 89 90¼	125 141% 106 108% 87½ 90% 	104% 107% 1 79 85	143 15134 101 1084 804 81 	144 159 105 111 79% 82½   91½ 92¾	157 17134 105 10734 811/2 831/2 	106 110% 81% 82½ 
Eastern Gas & Fuel Associates— 1st mortgage & coll tr 3½s1965 Eastern Stainless Steel Corp— 5s conv subord debs1973 Edison Elec Ill (N Y) 1st 5s1995 Eigin Joliet & Eastern Ry 3½s1970 El Paso & S W 1st & ref 5s1965 1st refunding 5s stamped1965 Energy Supply Schwaben Inc— 5½8 debt adjustment1973	90% 91½	91½ 92  102½ 105 102 102	92 92 	93 93% 	94 94% 	94½ 95%  101 104 103 103	95 97 	10134 10314	93½ 93% 104 112 101¾ 103¼ 102¼ 102¼	92½ 93 116½ 125 110 110 100% 101¾ 100¼ 101¾	92½ 94 119% 125¼ 90% 90% 101 101¾ 101¾ 101%	93 93 121 127½ 90½ 90½ 101 101 100½ 101¾
General mtge ind 4½s series A_2015 1st cons mtge 3¼s series E1964 1st cons mtge 3¼s series F1990 1st cons mtge 3¼s series G2000 5s income debenturesJan 1 2020 Ohio Division 3¼s1971	46 531/a 85 85 65 65 441/a 54	50½ 53 84 84 65 65 45½ 54	45% 51 64 64 64 64 45% 49	44% 50 64 64% 64 64 41% 48%	45½ 48% 80 80 63 64 64 64 43 47	46 49½ 63 65 63 63¼ 43½ 47%	45½ 47½ 60 64 63 63% 44¼ 48 87¼ 87¼	45% 48¼ 60 60 61 61 47% 49¼	47% 55 59% 60 61 61 48% 57%	51¾ 54½ 80 80 61 61 51¼ 54½	52½ 54¼ 80 81 60 60 61 61 53½ 55¾	52½ 55 83% 83% 60 60 61 61 51 54%
Fansteel Metallurgical Corp—  4%s conv subord debentures 1976 Firestone Tire & Rubber 3s 1961  2%s debentures 1972  3%s debentures 1977  Florida East Coast 1st 4½s 1959  1st & refunding 5s series A 1974 Foremost Dairies Inc—  4½s subordinated debentures 1980  Fort Worth & Denver Ry—  1st mortgage 4%s 1982	98 % 99 ½ 90 % 90 % 92 % 94 % 100 100 80 % 87 ½ 92 3 93 ½	116 121 98% 100% 95% 96% 99% 100 80% 89% 93% 95%	112½ 120 98¾ 100¾ 90¾ 90¾ 95 96½ 99¾ 99¾ 80¾ 86 94 95½ 	11234 118 99 100% 91 91 9614 97 9934 9934 8232 108 9434 9656 9134 9132	89½ 89½ 95¼ 96¼ 99¾ 99¾ 86¾ 91 97% 100	117½ 118¼ 100 101½ 95½ 97 100 10033 92½ 108½ 99¼ 99½ 93½ 93½		99% 100½ 89½ 89½ 93½ 95½ 100% 100%	115½ 118 96¼ 99½ 80 80 885 91 100 100 118 122¾ 94½ 96	119 125 97½ 98½ 80 80 88¼ 89 100 100 112% 119 92% 93	116 <sup>1</sup> / <sub>2</sub> 124 97 <sup>5</sup> / <sub>8</sub> 98 <sup>1</sup> / <sub>2</sub> 80 81 88 <sup>3</sup> / <sub>6</sub> 90 100 100 110 <sup>1</sup> / <sub>4</sub> 121	121 125 98¼ 98% 81 81 88½ 88¾ 100 100 110½ 115 90 94
Gardner-Denver Co—  4 <sup>1</sup> / <sub>4</sub> s conv subord debentures	106 1081/2	107 109 %  108 109 94 % 96	106½ 110½ 	108% 110% 			113¼ 117 — — 114 124 97½ 98¾		114 120%  120½ 125 99 100	120¼ 134 102½ 105¾ 124 134 99¾ 101	126 135½ 105 109½ 133 144¾ 100 101%	131 137 108 114¼ 136¾ 155 99½ 102
3½s convertible debentures 1975 Gen Electric Co 3½s debs 1976 General Foods Corp 3¾s deb 1976 General Motors Acceptance Corp 4s debentures 1958	99 % 100 % 97 ½ 100 % 100 100 %	121 r126½ 98% 100 97 97½ 100½ 100%	100 % 100 12	99 101½ 98 99 100½ 100⅓	98½ 99½ 100 100¾	98¾ 100¼ 98 99½ 99% 100	971/2 991/2	93 1/4 98 93 98 3/4	92½ 94¾ 94 94½	93% 95½ 92½ 92½	94 95 1/4 90 1/2 92 1/2	94 1/4 95 1/4 90 5/4 93
3s debentures     1960       3½s debentures     1961       2¾s debentures     1964       3s debentures     1969       3½s debentures     1972       3½s debentures     1975       5s debentures     1977       4s debentures     1979       General Motors Corp 3¼s     1979	9734 9938 100 10038 9212 9436 9134 9312 96 9712 9612 9734 110 11112	99¼ 100¼ 100¾ 101½ 94½ 95½ 91¼ 94½ 95¾ 97½ 95 97½ 108 110¾	99% 100% 101% 94 95% 94 96 95 97% 97% 99	100 101 12 101 16 103 16 95 14 97 34 94 16 95 34 97 98 16 96 12 99 109 34 111 14 98 12 101 14 96 97 12	100¼ 102 101 102% 97½ 98½ 95 97½ 97¾ 99¼ 98¾ 99 110% 112 99¾ 102	100 % 101 % 103 % 101 % 103 % 101 % 103 % 97 % 98 % 96 % 98 % 95 % 99 ½ 110 % 95 % 98 % 95 % 98 % 98 % 98 % 98 % 98	101½ 103½ 96⅓ 98¾ 94 97¾ 95¼ 98% 94⅓ 99¼ 107 111		98 1/a 99 1/2 97 1/6 100 5/6 89 3/4 93 1/2 87 93 89 1/2 91 1/4 90 91 1/2 92 1/6 1/6 1/2 92 1/6 1/6 1/2 90 91 1/2	98 % 99 % 99 % 100 91 93 % 89 % 91 % 89 % 91 % 89 % 92 105 % 108 % 92 % 97 % 90 % 93	98% 99% 99% 100% 99% 100% 93% 93% 93% 93% 93% 108% 96% 96% 91% 92%	98½ 99½ 98¾ 100½ 98¾ 93½ 88¾ 90¾ 88¾ 90¾ 89½ 92½ 107 108¼ 95¼ 96¾ 90½ 91¾
General Realty & Utilities Corp— 4s conv income debentures	91¼ 91¼ 100¼ 104¼ 106 107½	90 ½ 90 ½ 102 ½ 104 ¼ 106 ¼ 107 ½ 87 89		93½ 93½ 103½ 106¾ 107½ 112 91 91	91 91	108 111% 111% 114 95 95	108½ 111½ 112½ 115 93 93		106½ 109½ 111¼ 114¾	96 96 106¼ 112⅓ 112¾ 117 92½ 93	112 123½ 117½ 129 93 93 103 103¾	96¼ 96¼ 116¾ 130½ 122¼ 138 102¾ 103½
Good Hope Steel & Iron Works— 7s sinking fund mortgage———————————————————————————————————	95% 95¾ 89 98	95 96 1/a 94 1/2 99 1/a	951/4 963/4	96¾ 98¼ 94 101		96% 98 98½ 101½ 213 215	97¼ 97¾ 100¼ 103 117 117¾	97 97% 101 103% 114% 118	91% 91% 94 101 115½ 120	91¾ 93 94¼ 99 118½ 124½	92% 93% 95 98% 122 127½	92% 93 95 101% 124% 129%
4½s conv subord debs 1978  Great Northern— General 5s series C 1973  General 4½s series D 1976  General mtge 3½s series N 1990  General mtge 3½s series O 2000  General mtge 2¾s series P 1982  General mtge 2½s series Q 2010  General mtge 2½s series R 1961  Green Bay & Western deb ctfs A	102% 103½ 100% 1025% 73½ 76 77 64 64 94½ 94½	103% 105% 105% 102% 103% 76% 75% 75% 76% 64% 64% 94%	100 102½ 74 76½ 75 75% 76 76 64 65½	104% 104% 100½ 102% 74 75 75 75 73½ 75% 64½ 64% 97% 97%	104% 105¼ 102½ 102½ 74% 75½ 74½ 75½ 74½ 65 96 96½	105 1/4 108 102 3/4 104 76 78 75 1/2 76 75 75 3/4 64 1/2 66 3/4 96 97 68 68	105½ 106½ 102 103 77 77½ 75 75 75½ 76¼ 65¼ 65½ 97½ 98	104½ 105 102½ 102¼ 76½ 78 76 76 74 75½ 63 65¼ 97½ 97½	103 103¼ 100 102⅓ 75 76⅓ 74 74 58 58	100% 105% 99% 100% 75% 75% 75% 75% 58% 60 94% 95%	101 103 99 100¼ 76¼ 76½ 75¼ 75¼ 59¼ 59¼ 95¼ 96¼	102 <sup>3</sup> 4 103 <sup>3</sup> 4 99 <sup>3</sup> 2 101 76 77 75 <sup>3</sup> 4 76 68 72 59 <sup>3</sup> 2 60 95 <sup>3</sup> 4 96
Guif Mobile & Ohio 5s series A 2015 General mtge inc 4s series B 2044 1st & ref 3%s G 1980 5s income deb series A 2056 Guif States Utilities 254s 1976	15 16¼ 72¼ 72¼ 54 57 55 55 83 84¼	14% 16½ 74½ 74½ 58 60 86½ 86½ 55 55½	73 74 57¼ 59¾ 86½ 87½ 52 56	14½ 15 73½ 76 56 58½ 55½ 61	601/2 611/2	16¼ 18½ 74 76 55½ 57½ 85 85 85 x60¼ 61¾	74% 74% 57 58% 60 63 84 84		18¼ 19½ 76¼ 59 82½ 82½ 64½ 67½	18 22½ 76 77 60¼ 62½ 82 82 66 70	76 1/4 64 1/2 83 83 70 1/8 74	18% 19% 77½ 80 62¼ 63% 83¼ 83% 71½ 74½
1st mortgage     3s     1978       3s debentures     1969       1st mortgage     234s     1978       1st mortgage     234s     1980       1st mortgage     334s     1981       1st mortgage     334s     1982       1st mortgage     336s     1983	91% 93%		891/4 913/4	94 94 = = = = =		92 92	92 92				90% 90%	901/2 90%
Hackensack Water 2%s 1976 Harpen Mining Corp 6s 1948 4½s debt adjustment 1976 Herts Corp 4s conv subord debs 1976 High Authority of the European Cond	= = = = = = = = = = = = = = = = = = =	85 85  168 170½	165 165	= = 144 144	85 1/4 85 1/4 150 1/2 150 1/2	Marine Service		145% 149	75½ 75½ 93 93 144 150	 156 163	1671/2) 185	75% 75% 167 215
& Steel Community—  5½8 secured 7th series 1975 58 sec (11th series) 1978 Hocking Valley 1st cons 4½8 1999 Household Finance Corp 2¾5 1970  3½8 debentures 1956 4½8 debentures 1968 45 sinking fund debentures 1976 45½8 s f debentures 1977 55 debentures 1982  NOIE: All bond footnotes shown	100 ½ 102 105 105 85 ½ 88 ¼ 99 % 100 % 100 ½ 101 % 105 107 108 ¾ 109		105 105 89 93 100 1001/4 99 1011/4 105 1061/4	100 100 100 1/4 103 3 105 105 1/2	4 107% 110 90 91 4 100% 100% 102 102 6 102% 103%	107 1/4 107 1/4 92 7/6 93 100 1/4 100	90 90 % 99 13 100 100 % 101 100 % 100 % 101 % 105 % 105 %	99% 99¼ 100 100 97 100½ 102 105	104 104% 97¼ 98¼ 100½ 101½ 88 88 99½ 99½ 95½ 99½ 105% 101½ 105% 105%	104¼ 108¼ 97½ 99 100 100 88 88 95½ 100 95 9634 101¼ 103 104½	98% 99% 100 100 88 88% 98 98% 9614 98 101½ 102%	

BONDS	Jan: Low	High	Febru		Marc		Apr		Ma Low		Jun Low		Jul Low		Augu Low		Septen	nber High	Octob Low		Nover Low		Decemb Low 1	er High
Hudson & Manhattan 1st & ref 5s_1957 Adjustment income 5s1957	37½ 12¼		43½ 15	45¼ 17¼	44½ 15	48¾ 16¾		47 16	45 14¾	47 16	46% 15	49% 16%	48½ 16	54 21		55 % 21 ½		51½ 25½	47¼ 20½	51% 22¾		54 23½	51 1/8 18	54½ 23¾
Illinois Bell Telep 2%s series A 1981 1st mortgage 3s series B 1978 Illinois Contral 1979 4%s-3%s series A 1979 5%s-3%s series B 1979	86 1/2 91	88% 92	85 93	88 931/2	85 1/a 90	86% 93½	85¼ 90¼ 86½	88% 93% 86%	86  85¾ 85½	87½  85¾ 85½	85 91 87 87 <sup>1</sup> / <sub>a</sub>	86% 91 87 87%	82 1/4 85 1/2 87	85 89¾ 87	761/2 85	82 88	76½ 84 87	77% 86 87	77% 83% 86	78% 84¼ 86	78% 83% 86%	80½ 83¾ 86¾	77 85 1/4	81 85 ¼
3%s series C	90 77	90 80 -	79 82 —	79 83 —	80 82	80 1/4 82	80 82	80 82	82	82			90	90	Ξ	THEFT	771/2	771/2	77	77	77	77 	E-	78%
Ref & Imp 2½s series C 1986 Inland Steel Op 3½s deb 1972 Ist mortgage 3.20s series I 1982 Ist mortgage 3½s series J 1981 Ist mortgage 4½s series K 1987 International Harvester Credit Corp 4%s debentures series A 1979	135 1/2 97 107	146 99¼ 108¾	145 1/4 93 97 107 1/2	93 981/4	150½ 90¼ 97 107¼	150½ 93 97¼ 109¾	146 98½ 108½		97½ 108½		90 97 107½	90 99 1091/2	93 96 <sup>3</sup> / <sub>4</sub> 107 <sup>1</sup> / <sub>2</sub>	93 98½ 107½	95 <sup>3</sup> / <sub>4</sub> 107 <sup>1</sup> / <sub>2</sub>		90 103	94% 105½	89 901/4	213 89 93 104 1/8		237 94 1041 <sub>2</sub>	87. 901/4	103
International Mineral & Chem—  3.55s subord deb conv	86 1/4  88 1/4 103	94 - 88% 104%	911/4	941/4	91½ - 92 	941/4	94½  96¼  93%	96  98¼  93%	94 110% 97½ —	96½ 111 97½	93% 110% 95		89 110¾ —	931/2	88 114 <sup>1</sup> / <sub>4</sub> 91 	90 120½ 91 98	88¾ 118⅙ 85 98	987/8 131 85 98	89½ 127 101¼		89 140½ 86½ 101⅓	90	88 144 <sup>3</sup> / <sub>8</sub> 88 100 <sup>4</sup> / <sub>9</sub>	885%
1st mortgage 3s 1980 I-T-E Circuit Breaker 1982 4 1/48 conv subord debentures 1982	106%	111%	106%	110%	107	108%	106	109	107	109	921/2	1091/2	108	1121/2	257	113	1101/6	4-	1121/2	12.3	10734	-	1091/2	
James Frankl & Clear 1st 4s 1959 Jersoy Control Pwr & Light 2%s 1976 Joy Manufacturing 3%s debs 1975	95% 87% 95	97½ 89 95	961/4	9716	95¾ 86 90¾	861/4	95½ 88%	97 88¼	96¼ 87	98 881/4	96% 85 94	98 851/2 94	98½	991/4	98½ 84	991/2	99 84 89	99¾ 84 89	99% 81	99½ 84	99% 81%	99½ 82	99 <sup>3</sup> 8 80	993/4 80
Kanawha & Mich 1st gtd 4s 1990 Kansas City Power & Light 2¾s 1976 1st mortgage 2¾s 1978 1st mortgage 2¾s 1980 Kansas City So Railway 1st mortgage 3¾s series C 1984	= = 83		83%	= = = 85	88	89  841/2	89¾  83¾		891/2	901/2	90%	901/2	87	88	901/2	901/2	73	75	801/2	81	82  83¾	82	75½ 82 83½	75½ 82  83¼
Kansas City Terminal Ry 2¾s	90 86 %	921/4 88 94	93 901/4 901/4 901/4	94 901/4	92 1/2 92 	93 92	92%	92%	40 90 <sup>3</sup> / <sub>4</sub> 91	40	94½ 92% 43 90¾	92% 43	96 92	96 92 911/4	96 90	96 90 93%	97 89¾ 91¼	9734 8934 921/2	80 % 95 ½ 	971/4 921/2		9512	93 89 <sup>3</sup> / <sub>4</sub> 45 95 <sup>7</sup> / <sub>8</sub> 93	93 89 <sup>3</sup> / <sub>4</sub> 45 95 <sup>7</sup> / <sub>8</sub> 93
4½s unguaranteed 1961 Kimberly-Clark Corp 334s 1983 Kings Co Elec Light & Power 6s 1997 Koppers Co 1st mortgage 3s 1964 Krueger & Toll 5s certificates 1959	953	4 97%	97 21/4	99 % 23/4	971/2	99 2%	100½ 97% 2		100 98% 2%	101¼ 100¼ 2%	100	101% 100% 2%		100 1/4 99 1/2 2 1/8	94 <sup>3</sup> / <sub>4</sub> 97 <sup>1</sup> / <sub>2</sub> 2		913/4 138 941/4 2		90½ 94 1¾	95 95 21/4	95 941/4 13/4		93 126 <sup>1</sup> 2 95 <sup>1</sup> 6 1 <sup>3</sup> 4	97
Lakefront Dock & RR—  1st mtge s f 3%s ser A	65 —	72 67	67 	7 <u>2</u>	67 72 %		64 61% 72%			65% 71	64 71	66 1/2 72	57½ 72	641/4 581/4 72	64 60 72	64 % 60 75 %	64 1/2 65 71	6734 65 725%	67% 67 72	68 % 67 73 ¼	68½ 71½	1000	68 701/4	69 ½ 72 ½
5s stamped 1964 5s stamped 1974 Lehigh Val Har Term 1st 5s ext's 1984 Lehigh Valley (N Y) ext 4½5 1974 Lehigh Valley RR— 4s series "A" 2003 4½5 series "B" 2001 5s series "C" 2003	74 75 65		91 ½ 73 ½ 66 61 ½ 53 51 ¾	73 1/2 66 1/6 62 5/6	94 73 647/ 601/ 45 50	50 52	93 74 61% 55 40 49%	60 45½ 50	62	62 4 47 52	91 ½ 74 70 ¾ 62 ½ 47 51 ½	80 72 63 1/4 53	74 71 61 51	80 72½ 63½ 52¾	94 74 % 69 62 50	94 76 69¼ 64⅓ 52	93 741/4 71 63 49 54	94½ 74¼ 73 64¼ 51 56	74½ 69 63% 51¼ 54¼	73 66½ 53½	93½ 75¾ 68¼ 63 50 54½	753/4 753/8 641/4 53	93½ 75 70% 64 51½ 53	75 <sup>3</sup> / <sub>4</sub> 75 64 <sup>3</sup> / <sub>8</sub>
4s series "D" 2001 4½s series "E" 2001 5s series "F" 2001 Lehigh Valley Term Ry— 1st mortgage 5s extd 1971 Lexington & Eastern 1st gold 5s 1962 Libby McNell & Libby—	40 45 45	40 1/8	37½ 42 44 44 77 102	38 1/2 43 46 81 102	53 ½ 25 9 33 31 76 102		48 % 25 % 28 30 75 102		723	34 38	53 1/4 30 1/4 33 36 71 3/4 102 1/4	32 36 38 721/4		61 31 <sup>3</sup> / <sub>4</sub> 35 <sup>1</sup> / <sub>2</sub> 38 <sup>1</sup> / <sub>2</sub> 73 4 102 <sup>1</sup> / <sub>2</sub>	57 31 1/4 33 37	59 32% 36¾ 39% 73½ 102¾	58 31 3334 37 72 101	59 381/4 42 451/2 731/4	60 1/4 36 38 43 1/2 72 3/4	6034 3834 42½	60 1/2 32 1/2 36 3/4 42 72 1/2	36 40 42½	60½ 31½ 35 39½ 71³4	35 381/4
5s conv s f debentures 1976 Little Miami general 4s series A 1963 Lockheed Aircraft 3.75s subordinated debentures 1986 4.50s debentures 1977 Lombard Electric 7s ser A 1965 Lone Star Gas Co 476s debs 1983	97 2 0 85 6 88	% 91			991  88 87	921/2	90 ½ 93	4 99% 93	103  96½ 91	104½ 	104 3/4	107% 101% 93	400	2 107 107½ 94	106 % 96	106½ 96 110¼ 93	106	1071/6	106%  102¾ 90		110½ 112% 91¾	1251/2	110 <sup>1</sup> / <sub>2</sub> 124 90	114 1411/6 941/4
Long Island Lighting Co—  Ist mtge 3%s series D————————————————————————————————————	8 91 9 95 8 97	% 96% 99%	969	-	975	4 97%	98 %	6 97%	973	4 98%	96 983 983	-	89 97		88 98 1/2	100 89 99	88 92%	88 93%	931/4	941/2	99 88 94 1/2 81 86	90 9634 81 88	90 94 <sup>3</sup> 4 87 <sup>1</sup> 4	90 96 87 <sup>1</sup> / <sub>4</sub>
1st & ref mige 2%s series G	3 71 3 83 0 9	% 71 % % 85%		-	783 72 843 75	74	78		77 729 84 78 751 	87 78	78 723   87 1093	87	771 73 863 	731/2	78 723 863		77 ½ 72 ½ 78 72 — — — — — — — — — — — — — — — — — —		78% 721/4 86% 78%	721/4	76 72 8634  10634	78 <sup>3</sup> 4 72 <sup>4</sup> 4 86 <sup>3</sup> 4 106 <sup>3</sup> 8	76 <sup>1</sup> 3 70 <sup>1</sup> 2 84 <sup>1</sup> 2 76	72
Mack Trucks Inc.  5%s subord debentures	90 7 103 8 83	1/4 90 1/4 7/6 108 83 %	107	4 94 110 851		921/2 109 86	841	4 91% 4 112 4 85	110		82	4 953 113 843	110	97½ % 112¼ 83¾	923	4 1171/4		9634 4 118½ 88	95 ½ 116 ½ 85	97 2 12034 87½	117	87 <sup>1</sup> / <sub>4</sub> 121 <sup>1</sup> / <sub>2</sub> 87 <sup>3</sup> / <sub>4</sub>	95 1/4 116 82 1/4	122½ 8 88
Martin Co 5%s s f debs ww. 197 May Dept Stores 2%s debs. 197 3%s debentures 197 3%s sinking fund debentures. 198 May Stores Realty Corp. General mortgage 5s. 197 McDermott (J Ray) & Co.	8 2 8 0 89 7 108	92%		109	861	4 87	108	109	91	76  ½ 91½ ½ 107½		90 	92	½ 93 105	104	104	93	93	90  89 102	90  93 1021/4	90	103 %	90 1073 82 104	90 108½ 82 105
58 subord conv debs 197 McReson & Robbins 3½s debs 197 Mead Corp 1st mortgage 3s 196 Merritt-Chapman & Scott 4½s aubordinated conv debs 197 Metropolitan Edison 2½s 197 1st mortgage 2¾s 198 Michigan Bell Telephone 3½s debs 198	3 93 6 95 5 71 4 89	95 14 81 89		4 82 %	-	92%	93 79 90!	93¾ 93 82¼ 90¼	931	% 81%	801	95	-	83	90°3	93%  81% 85		94  81 /2 82 1/2	92 793 803		96 90  82 <sup>1</sup> / <sub>78</sub>	105 90 2 91 79½	102 90 831	106 90 2 89 <sup>3</sup> 4
4%s debentures 199  Michigan Central RR—  Refunding & impvt 4½s ser C 197  Michigan Consolidated Gas 3½s 196  1st mortgage 2%s 196  1st mortgage 3%s 196  3%s s f debentures 196	9 81 9 97 9 90 9 90	99 1/	82 98 90	6 90%	80 99 90	88 4 1031/4 81 1003/4 90	80 99 961		78: 99:		98 91	80 1011 941	76 97	% 100 ½ 1/4 93 ½		99	74 93	76 ½ 96 ½	90	93	791	2 102½ 2 81 8 93¾	79 <sup>1</sup> /92	94%
NOTE: All bond footnotes shown o	A Comme		99	991/	96	96	98			1/2 991/2	991	14 100	100			1001	99	4 991/4	20,57		94	94	921	941/8

BONDS	January Low High	February Low High	March Low High	April Lew High	May Low High	June Low High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Minneapolis-Honeywell Regulator—  334s sinking fund debentures 1976 3.10s sinking fund debentures 1972 Minneapolis-Moline Co— 6s subord income debentures 1986 Minnesota Mining & Mfg 234s 1967 Minn St Paul & S S M— 1st mortgage 4½s inc series A 1991 Missouri Kansas & Texas 1st 4s 1990 Missouri Kansas & Texas 1st 4s 1990 Missouri Kansas & Texas 1st 4s 1992 Prior lien 4½s series B 1962 Prior lien 4½s series B 1962 Prior lien 4½s series D 1978 Cumulative adjust 5s series A 1967 Missouri Pacific RR— Reorganization Issues—	102 104 95 95 1/4 55 67 90 90 1/8 77 3/4 80 50 58 3/4 55 60 1/6 66 1/4 71 62 63 1/4 52 55 46 1/8 51	100 1/4 101 95 95 1/4 x62 66 91 91 77 1/2 78 54 1/2 57 1/2 52 57 67 70 62 62 1/8 54 1/4 56 41 1/2 48 1/8	101½ 102¼ 94½ 94½ 62 65 92⅓ 94 77½ 78½ 52½ 63½ 69¾ 73% 59 67 55 59 44% 54	102 1/4 105 95 1/2 95 1/2 59 1/2 64 	104½ 104¾ 96 96% 63 74¼ 95½ 95¾ 76 50¼ 52¼ 63 68 80 86 77 78½ 63 65 59 63¾	103 104 	103¼ 103¼ 96½ 71 75 94½ 94½ 94½ 89 77 81¼ 67 67¼ 66 %	98 101 94¼ 96½ 72 77½ 94¾ 94¾ 77 79 53 55 64% 66 81½ 85½ 78 79 68¼ 68¾ 62¼ 64⅓	94¼ 94¼ 77½ 83¼ 78 78 53 56¾ 63¾ 66 82 85¾ 77¼ 80 61¼ 66½	97 97 ¼4 	98½ 98¾ x91 97 	97% 98% 85 86 92 96%
1st mtge 4¼s series B	66 ½ 72 ½ 65 ¼ 71 54 60 ½ 56 ¼ 42 % 49 ½ 94 96 % 86 ½ 86 ½ 86 ½ 88 3 83 94 % 94 %	70 1/4 72 3/4 68 7/8 70 7/6 56 7/8 70 7/6 55 1/4 55 1/4 45 1/4 49 1/8 96 96 1/2 55 1/2 57 7/8	68 70 ½ 66 ¼ 69 ½ x50 % 57 ½ x46 ¼ 53 ½ x38 ¼ 47 ½ 96 96 ¾ 50 55 87 ½ 87 ½	68% 75¼ 66¼ 73¼ -51¼ 58 46 53 38½ 44% 96 97¾ 49 54¾ 87½ 87½ 32½ 40 -45⅓ 51 80 83½	74 78½ 71¾ 76½ 55¾ 58% 51% 55 42% 47½ 96% 98½ 54% 55 35% 38% 49¾ 51 81 83¾	75 1/4 80 3/4 78 78 78 78 78 78 78 78 78 78 78 78 78	73 1/2 77 1/4 72 1/4 75 1/4 58 1/6 13 1/6 54 2/4 57 47 3/6 51 3/6 96 98 1/2 54 1/4 55 1/2 37 3/4 40 49 5/6 51	73 76 71 7434 60% 6234 5434 5714 5034 5336 95% 9714 544 5514 3876 4036 50 51	72¼ 75 71 73½ 60% 65% 56% 61% 51% 57½ 93½ 94 54¼ 57¼ 87¼ 87¼ 39 45	71% 74% 70% 73% 63 65% 59% 62 54% 56% 57 59% 42 44% 51% 53	74% 76½ 73 74½ 64% 67¼ 61% 64¾ 55% 58 95 96 60¼ 62 87¼ 87¼ 42% 43½ 50% 52¼	73 77% 72 76% 65.1% 67% 62.1% 44% 57% 60% 93.1% 96 61.1% 62% 87% 97% 43 44.31 48 45.1% 77 77 87.3% 88
Nashville Chatt & St Lou 3s ser B 1986 National Cash Register Co- 4½s conv subord debentures 1981 Natl Cylinder Gas Co- 5½ conv subord debs 1977 National Dairy Products 2¾s 1970 3s debentures 1976 Natl Distillers & Chem 4¾s 1983 National Distillers Products 3¾s 1983 National Steel Corp 3¼s 1983 1st mortgage 3¾s 1986 National Supply 2¾s debentures 1967 National Tea Co-	115% 118% 99% 103% 90 92% 93% 93% 93% 94% 91 91 89% 93 102% 104%	77 77 116 118½ 103½ 106% 91 92¾ 96 96 94 96 92½ 92½ 102% 103¼	77 77 117 118 105 1/4 107 1/4 92 1/8 93 1/2 96 1/4 97 1/2 93 93 1/8 91 1/2 91 1/2 92 92 1/4 102 1/6 102 1/2 94 94	78½ 78½ 114 120 105½ 110 92½ 94% 96½ 96% 93⅓ 95 92 93 102¼ 103½	80 80 119½ 127¾ 108¾ 109¾ 94¼ 96¼ 97¾ 98½ 96½ 100 ———————————————————————————————————	80 80 ¼ 123½ 131 106½ 109½ 92½ 96 98% 98% 94 97 100% 101 93 93½ 92¾ 93½ 102 103½	92½ 94½ 96 96½ 94 94¾ 100½ 102½ 93 93½ 93½ 93½ 102½ 102%	127 132 108 10934 9034 92½ 93½ 95 92½ 94 99¼ 101¾ 91 91 103 103	80% 80% 130% 139% 139% 107% 112 86% 90% 93% 93% 89 92% 100% 89 89% 96 97	80% 80% 131½ 141 108 113 87 88 89½ 91½ 88 88% 98¼ 100% 88 91 96 97	8034 8034 133 1371/6 1053/4 110 861/2 871/6 91 911/2 891/8 893/8 100 1021/2 85 85 871/4 88 96 961/2	80 80 129% 156 109¼ 114 88½ 90½ 90¼ 91¾ 88¼ 90 100½ 102 85% 86½ 85% 88 94 96 
3½s subord conv. debentures 1986 5s s f debentures 1977 New England Tel & Tel- 1st gold 4½s series B 1961 3s debentures 1982 3s debentures 1978 New Jersey Bell Telephone 3½s 1988 N J Junction gtd 1st 4s 1986 N J Power & Light 1st mtge 3s 1977 New Orleans Terminal 3¾s 1977 New Orleans Terminal 3¾s 1977 New York Central RR 4s ser A 1991 Ref & impvt 4½s series A 2011 Ref & impvt 4½s series A 2011 Coll trust 6s 1996 Coll trust 6s 1996 13½s registered 1997 Lake Shore coll gold 3½s 1999 3½s registered 1999 Michigan Central coll gold 3½s 1999 3½s registered 1999	105½ 108 101½ 103 101½ 103 101¾ 91¾ 100 90 100 90	98½ 102 107 107¾ 100¾ 102¼ 	75 82	100 106½ 107½ 107½ 101 102% 88½ 89 94½ 95	461/4 483/4 471/2 471/2 503/6 521/2	104 107 ¼ 108 ¾ 101 ¼ 101 ¾ 91 91 92 ½ 92 ½ 92 ½ 55 % 55 58 60 64 78 ¾ 81 60 ½ 63 59 ½ 59 ¾ 46 46 ¼ 63 47 % 50 ¼ 53 ¾ 8 51	107½ 109¼ 101 101¾ 91 91½ 91½ 91½ 89 89 68 68 52½ 56¾ 56 57½ 61½ 63¾ 60¼ 62¾ 60¼ 62¾ 60¼ 62¾ 60¼ 62¾ 60¼ 62¾ 60¼ 62¾ 60¼ 63¾ 60¼ 64¾ 60¾ 60¾ 60¾ 60¾ 60¾ 60¾ 60¾ 60¾ 60¾ 60	101¾ 109 106 106½ 100% 102 	105¾ 113 105% 106 101¼ 102 89 89 	861/4 881/2 67 683/4 661/2 68	110 <sup>1</sup> / <sub>2</sub> 120 104 <sup>3</sup> / <sub>4</sub> 105 <sup>3</sup> / <sub>4</sub> 101 <sup>1</sup> / <sub>2</sub> 102 <sup>3</sup> / <sub>4</sub> 80 80 86 <sup>3</sup> / <sub>4</sub> 86 <sup>3</sup> / <sub>4</sub> 	100% 105 100
New York Chie & St Louis—  Ref mortgage 31/4s series E 198 Ref mortgage 3s series F 1986 41/2s income debentures 198 N Y Connecting RR 27/3s B 197 New York & Harlem gold 31/2s 200 Mortgage 4s series A 204 Mortgage 4s series B 204 New York Lack & West 4s ser A 197 41/2s series B 197 N Y New Haven & Hartford— 1st & refunding 4s series A 200 General mortgage 4no 41/2s A 202 Harlem River & Pert Chester— 1st mortgage 41/4s series A 197 N Y Ont & Western 1st gold 4s 199 General 4s N Y Power & Light 1st mtge 23/4s 197 N Y & Putnam 1st cons gtd g 4s 199 N Y State E7 & Gas 23/4s 197	79½ 79½ 79½ 99 85 85 85 73½ 73½ 73½ 73½ 73½ 72½ 72½ 35 56¼ 45¼ 45¼ 45½ 22¼ 27% 1½ 1½ 55 89½ 90½ 89½ 90½	81 81 79 ½ 79 ½ 86 86 73 ½ 74 ½ 75 75 56 ½ 56 ½ 62 64 38 ¼ 44 ½ 19 ¾ 27 ½ 1 ¼ 1 89 ¼ 89 ½ 55 55 %	74 74½  74 74½  52½ 56¼ 60 61½ 19¾ 24½ 60 60 1¾ 11¾ 1 1½ 87½ 88	81 ½ 82 79 ½ 80 81 81 ½ 72 ¾ 74 75 75 48 % 54 55 % 60 ¼ 24 ½ 78 136 88 90 53 56 %	69 72¾	81 83½ 79 79 82½ 83 69 73 74 74 74 74½ 52½ 55 56¼ 60 41¼ 45½ 22½ 25 60 60	83 % 84 % 68 % 70 82 82 82 51 % 56 59 59 %	45 48½ 27¾ 27¾ 27¾ 2 = = = = = = = = = = = = = = = = = =	59 59 ¼ 45 ½ 50 ¼	79 79 ½ 66 67 4 70 % 71 ¼ 72 72 56 ½ 57 62 62 ¼	461/4 491/4	
Term 1st mtge 4s 199  1st & cons mtge 4s ser A 200  General mortgage 4½s series A 201  N Y Telephone 2¾s series D 198  Refunding mortgage 3½s series F 198  Refunding mortgage 3½s series F 198  Refunding mortgage 33 series F 198  Refunding mortgage 33 series I 198  Ref mortgage 33 series I 199  Ref mtge 4½ series K 199  Niagara Mohawk Power Corp	14 53 53 14 51 53 % 19 24% 26 12 86 88 11 89% 92 19 95½ 96% 11 105% 106%	85 871/891/2 90 89 90 961/4 961/	53 53 ¼ 24½ 26¾ 4 84 84¼ 89 91¾ 88½ 89¾	50 55 50 53½ 24 24½ 84½ 85½ 91¾ 92 89 90% 87¾ 88 95½ 95½ 106 106½	23½ 23½ 2 86 86 94 94 4 90 91½ 87¾ 87¾ 95 95	84¾ 86° 93 93 89% 89° 95¼ 95°	91 931/	57 59½ 25 30 4 80 81½ 4 — — — — — — — — — — — — — — — — — — —	29¼ 30 76½ 79 	99% 1021/	58 58 59 59 26 ½ 29 % 79 79 8 85 85 82 34 84 78 ¼ 79 % 81 ¼ 84 101 36 103 ¼ 98 99 ½	84 % 85 79% 79% 82 82 101 4 103
General mortgage 23/4s 194 General mortgage 27/6s 194 General mortgage 31/2s 194 General mortgage 31/4s 194 45/6s convertible debentures 197 General mortgage 47/6s 194 Norfolk & Western Ry 1st cons 4s 194 North Central gen & ref 5s ser A 197 General & ref 41/2s series A 197 Northern Natural Gras Co 198	88 4 88 4 89 4 89 4 89 4 89 4 89 4 89 4	92 92 110½ 113 107½ 1099 105½ 106½	92 92 1121/4 1161/4 108 1083/4 1053/4 1063/4 100 102	85½ 85½ 87 87 91 92 93 94 113 1165 108¾ 109½ 105½ 1053 97½ 975 94 94	95½ 95% 95½ 112% 117% 12% 117% 109¼ 110¼ 4 105½ 105½	113 108½ 111 105 105 93% 93	% 113 115 ½ 106 ¾ 108 ¾ 34 102 % 105 ½	106 1/2 107	80 ½ 80 ½ 111 113 104 % 105 ½ 98 ¼ 100 ½ 95 95	86 86 111½ 119½ 105 107	88% 88% 117½ 122¾ 108¾ r109	88 88 86 86 117 121 106 106 991/4 100
3%s debentures 19 3¼s debentures 19 3¼s debentures 19 3½s debentures 19 4½s 5 f debentures 19 4½s 5 f debentures 19 4%s sink fund debentures 19 Northern Pacific Ry prior lien 4s 19 4s registered 19 General lien gold 3s Jan 20 3s registered 20 Refunding & impyt 4½s ser A 20 Collateral trust 4s 19 Northern States Power (Minn.)	73 92 92 74 92 92 <sup>3</sup> / 76 105 <sup>3</sup> / <sub>4</sub> 105 <sup>3</sup> / 77 105 <sup>3</sup> / <sub>6</sub> 106 <sup>3</sup> / 97 93 <sup>3</sup> / <sub>6</sub> 96 97 97 90 47 63 <sup>3</sup> / <sub>2</sub> 66 47 60 60 47 84 <sup>3</sup> / <sub>4</sub> 87 <sup>3</sup> / 84 89 <sup>3</sup> / <sub>4</sub> 89 <sup>3</sup> / <sub>4</sub>	106 106 105½ 105½ 93¼ 95⅓ 89 89 60¾ 64 60 61 6 87 89	93 93 93 93 94 91 94 91 95 88 94 95 80 95 80 95 80 83 88	104½ 104½ 105½ 106¾ 91¾ 94½ 60¼ 63¾ 57½ 58⅓ 85 90⅓	93 93 4 106 106 4 4 105 % 106 4 94 ½ 97 ½ 91 ½ 91 ½ 62 ¼ 64 58 ¾ 58 ¾ 6 89 ½ 91 %	94 95 94 94 105% 106 4 97¼ 99 4 92 92 62% 65 6 91 93	94 98 88 88 63 <sup>3</sup> 4 65 62 62		99¼ 102 99 101½	88 91½ 63 663	91 % 94 86 86 4 63 4 66 % 59 % 61	87 87 101½ 101¾ 101½ 101¾ 89¾ 92 85½ 86½ 64½ 66½ 60 62 88¾ 91 93¼ 94¼
1st mortgage 23/4s 19 1st mortgage 23/4s 19 1st mortgage 3s 19 1st mortgage 3s 19 1st mortgage 31/4s 19 1st mortgage 31/4s 19 1st mortgage 31/4s 19 1st mortgage 41/4s 19 1st mtge 4s 19 1st mortgage 5s 19 1st mortgage 5s 19 1st mortgage 3s 19 1st mortgage 3s 19 1st mortgage 45/8s 19 Northrop Aircraft Inc— 4s conv subord debentures 19 Northwestern Ball Tableta	75 89 90 78	87½ 89 	85½ 85½ 103½ 103⅓ 104¾ 105⅓ 103 104⅓	91 91 97 87 9 103 103 4 105½ 106	87 87 101½ 102 107 107½ 85 85% 90¼ 90½	103 104	87 89 102 102 34 105 105	100 102 97% 98 — — —	81 82 9 98 98 98 95 96 95 96 95 96 96 96 96 96 96 96 96 96 96 96 96 96	80% 83 81% 81% 96% 97%	81% 83% 98 98 98 97 97 97 97 85% 86 %	79 82½ 98 98½ 4 96½ 97¾ 5
31/4s debentures18 NOTE: All bond footnotes shown	196									-		

BONDS	January Low High	February Low High	March Low High	April Low. High	May Low High	June Lew High	July Low High	August Low High	September Low High	October Low High	November Low High	December Low High
Ohio Edison Co 3s	92 93% 89 89½ 89 89 	91% 94 89 90 89 89 	90½ 92 89 90 87½ 87½ 	92 94 90% 91¼ 87 90¼ 	93½ 94½ 	94% 97 89% 90% 88 90 	95% 96 87 88 87 89  104% 104% 101 104% 99% 101% 99% 101%	90 95½	85 89½ 82 84 	85 89½ 82 84 	82 1/4 82 1/2 76 1/8 79 84 84 	82 86% 81¾ 82¼ 81½ 84 
Pacific Gas & Elec 3½s series I 1966  1st & refunding 3s series J 1970  1st & refunding 3s series K 1971  1st & refunding 3s series K 1971  1st & ref mtgc 3s series M 1979  1st & ref mtgc 3s series N 1977  1st & ref mtgc 2¾s series P 1981  1st & ref mtgc 2¾s series P 1982  1st & ref mtgc 3¾s series Q 1980  1st & ref mtgc 3¾s series S 1983  1st & ref mtgc 3¾s series T 1976  1st & ref mtgc 3¾s series T 1976  1st & ref mtgc 3¾s series W 1984  1st & ref mtgc 3¾s series W 1984  1st & ref mtgc 3¾s series W 1984  1st & ref mtgc 3¾s series Z 1988  1st & ref mtgc 3¾s series Z 1988  1st & ref mtgc 3¾s series B 1989  1st ref mtgc 5s series BB 1989  1st ref M 3¾ series CC 1978  Pacific Tel & Tel 2¾s debs 1985  2¼s debentures 1986  3¼s debentures 1986  3¼s debentures 1986  3¼s debentures 1981  3½s debentures 1981	98 100½ 94 97 94¼ 96½ 91¾ 96½ 91¾ 96½ 90¼ 92 86¼ 86½ 90¾ 92 83¾ 90¾ 95 97¼ 98 96½ 97½ 105½ 107 109½ 111 84 86½ 87½ 88½ 90¾ 91½	101 101 93 95% 93½ 95¾ 92½ 94½ 88% 91½ 90¼ 92½ 87 86¼ 90½ 91½ 93½ 90½ 91 91 91 96 96¾ 91½ 93% 90 91½ 98 98 96½ 96½ 104½ 106 109½ 111 85½ 87 86 86 87 91 90 91½ 91½ 91½	102 102 93% 93% 93% 93% 93% 93% 93% 94% 93% 92% 88 90 89% 92% 88 96 96% 88% 92 96% 88% 96% 97% 92 98 98 96% 97% 103% 105% 105% 88% 88% 98 98% 92 92% 89% 89% 92 92% 89% 89% 92 92% 89% 89% 92 92% 89% 89% 98% 98% 98% 98% 98% 98% 98% 98	102 102 94¼ 96½ 93½ 95¼ 95¼ 95¾ 92¾ 90% 91% 85 86½ 91 91 91 91 91 91 94% 96¾ 97% 97% 104½ 106½ 108 110% 82½ 85% 86¼ 87¼ 89 92 90¾ 90½ 90¾ 90½ 90½ 90¾ 90½ 90½ 94% 90½ 94% 90½ 94% 90½ 94% 90½ 94% 94%	96 9714 9514 9614 9214 9414 9014 9134 9115 9156 8614 8614 8715 8814 903 9234 	96½ 97¾ 95 95¾ 92 94% 90¾ 92½ 90½ 91¾ 86¾ 86½ 88¼ 88¾ 94¼ 95 91½ 91¾ 96¾ 91½ 96¾ 91½ 104½ 106½ 109¼ 110¼ 99¾ 101¾ 85¾ 86½ 86¾ 86 88¾ 90 92¾ 93% 88¾ 90 92¾ 93% 88¾ 90	94 97 1/4 95 97 3/6 90 3/6 93 5/6 91 92 1/4 88 90 3/6 85 7/6 85 7/6 85 88 1/4 90 91 94 95 89 1/6 91 104 5/6 105 1/4 108 5/6 110 1/4 98 3/4 101 82 82 85 1/4 85 1/4 86 90 1/6 91 91 1/2	100 1/4 100 5/6 89 92 1/4 93 95 85 1/4 91 84 1/4 92 1/4 78 1/6 79 84 84 86 7/6 86 7/6 106 108 3/4 95 1/6 106 108 3/4 95 1/6 99 5	100% 100% 69 69 99½ 93½ 84% 87 82 83½ 83½ 83½ 83½ 83½ 82¼ 82 82¼ 82 82¼ 82 82¼ 82 82¼ 82 82¼ 84 100 104% 105½ 107 93 95½ 75% 76 78 79½ 80 83½ 83½ 83½ 83% 81 88 88	101 101 89 \( \frac{1}{2} \) 91 \( \frac{1}{2} \) 88 \( \frac{1}{4} \) 88 \( \frac{1}{4} \) 85 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 80 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 82 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 83 \( \frac{1}{4} \) 86 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 83 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 83 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 81 \( \frac{1}{4} \) 83 \( \frac{1}{4} \) 81 \( \frac{1}{4} \)	91 92 88 ½ 89 % 85 % 87 ½ 82 % 84 % 82 ½ 83 % 78 ½ 79 ½ 80 ¼ 81 84 84 82 ¼ 84 82 ¼ 84 82 ¾ 84 87 10 1 ¾ 10 3 108 ½ 11 0 96 % 98 76 ¼ 79 ½ 78 78 81 ¼ 82 ½ 83 ¼ 82 ½ 81 ¼ 82 ½ 81 ¼ 82 ½ 81 ¼ 82 ½ 81 ¼ 82 ½ 83 ¼ 82 ½ 86 ½ 90 ¾ 87 ½ 88	101 101 86 91 8534 8936 8434 8634 81 8434 82 84 7812 79 86 8012 85 85 8314 8314 84 86 82 84 85 82 84 85 82 8538 87 87 10012 10312 10434 10812 94 96 75 7714 7934 80 8212 85 85 87 87 10012 10312 10434 10812 94 96 96 75 7714 80 8212 85 88 8112 82 8912 9012
3%s debentures 1991 4%s debentures 1988 Pacuic Western Oil Corp— 3½s debentures 1964 Pennsylvania Power & Light— 1st mortgage 3s—1975 Pennsylvania RR— Consolidated 4½s 1960 General 4½s series A 1966 General 4½s series B 1966 General 4½s series B 1966 General 4½s series E 1984 General 4½s series E 1984 General 4½s series E 1984 General 4½s series E 1986 Peoria & Eastern 4s extended 1960 Income 4s 1960 Pere Marquette Ry 3½a ser D 1980 Philadelphia Baltimore & Wash—General 5s series B 1974 General 5s series B 1974 General 5s series B 1974 Ist & refund mortgage 2¾s 1971 1st & refunding 2¾s 1981 1st & refunding mortgage 3½s 1983	98 <sup>3</sup> 4 99 <sup>3</sup> 4 104 <sup>3</sup> 4 106 <sup>3</sup> 4 106 <sup>3</sup> 4 106 <sup>3</sup> 4 106 <sup>3</sup> 5 95 <sup>3</sup> 4 97 <sup>3</sup> 4 77 <sup>3</sup> 4 77 <sup>3</sup> 4 77 <sup>3</sup> 4 77 <sup>3</sup> 4 46 49 87 88 <sup>3</sup> 5 63 <sup>3</sup> 4 100 <sup>3</sup> 4 100 <sup>3</sup> 4 100 <sup>3</sup> 4 95 <sup>3</sup> 4 89 92 <sup>3</sup> 5 88 91 <sup>3</sup> 4 55 85 85 91 <sup>3</sup> 4 57 88 <sup>3</sup> 5 86 91 <sup>3</sup> 4 91 <sup>3</sup> 4 91 <sup>3</sup> 5 85 85 91 <sup>3</sup> 5 9	48 48 48 48 48 48 48 48 48 48 48 48 48 4	98½ 98½ 103% 106  91 93 99% 101 83 90% 85½ 90% 68¼ 70¾ 68 70¼ 54 59% 93 94 48 49 87½ 89 101 101½ 94¾ 90¼ 90¼ 92 95½ 96 88½ 86% 92 92¼	96½ 97 104½ 107 97% 97% 91½ 92½ 99¾ 101 87¼ 91½ 66₺ 73½ 66₺ 73½ 66₺ 73½ 66₺ 87¾ 100 101 91½ 94½ 85₺ 97¼ 89 99½ 84½ 84½ 84½ 84½ 88₺ 88⅓	99½ 99½ 90 90 95¼ 95¼ 97¼ 98 90 91½ 88¼ 88¼ 89½ 90 92½ 94¾ 90 92½ 94¾	99 99% 105¼ 106 97% 97% 91½ 92½ 99% 101¼ 86% 83% 89% 92 71% 74 56% 60½ 94% 95% 48% 60 86 87	97½ 97½ 100¾ 105% 100¾ 105% 100¾ 102¼ 88 91 92 ¼ 72 73½ 72 73 ½ 96 1 95¼ 96 85 88 97 97 83½ 83½ 92 92 92 92 94 84½ 84½ 84½ 89¾ 94¾ 94¾ 94¾	99 99 9734 9734 8834 9034 10034 10234 8936 9134 7036 7336 57 635 9636 9636 97 85 8636 9636 97 85 8636 9636 97 85 8636 9636 97 85 8636 9636 97 85 8636 9636 97 85 8636	96½ 100% 9734 9734 8834 9034 100¼ 102¼ 89½ 91½ 90 9134 70½ 73¼ 70½ 73¼ 55½ 95½ 54½ 56¾ 83½ 86 96% 97 85 86% 92 92 92 90 96 88½ 88½ 86 86 94¾ 94¾ 86 86 94¾ 94¾	97 101¼	99 101½	98¾ 101¼  82 84  100¼ 101½ 94¾ 96¾ 96¾ 95⅓ 96 78¼ 98¾ 98¾ 98¾ 60 60¾ 81½ 83  94 95 82 85% 69¾ 90 90¼ 92 82¾ 83¾ 83¼ 80 80¾ 80¾ 80¾ 80¾ 84½ 82¾ 84¼ 82¾ 82¾
1st & ref mortgage 3%s 1986 1st & ref mtge 3%s 1988 Phillips Petroleum 234s 1964 4½s conv subord debentures 1987 Pillsbury Mills 3%s debentures 1987 Pillsbury Mills 3%s debentures 1972 Pitts Bessemer & Lake Eric RR 1st mortgage 2%s series A 1996 Pitts Cinn Chic & St Louis Ry— Cons gtd gold 4½s series I 1963 Cons gtd gold 4½s series I 1963 Cons gtd gold 4½s series J 1964 Pittsby Cinn Chic & St Louis RR— General mortgage 5s series B 1975 General mortgage 5s series B 1975 General mortgage 3%s series E 1978 Pittsburgh Consol Coal 3½s debs 1967 Pittsburgh Piate Glass 3s debs 1967 Pittsburgh Piate Glass 3s debs 1967 Pittsburgh & West Va Ry— 1st mortgage 3%s series A 1984 Pitts Youngstown & Ashtabula— 1st general 5s series B 1962 1st general 5s series B 1962	107 1 108 14 96 97 14 106 14 109 14 92 92 76 76 100 100 98 98 92 95 92 14 93 % 71 34 73 ————————————————————————————————————	96½ 96½ 93 95	97¼ 98 107¾ 109 	93% 93% 108% 108% 108% 108% 108% 108% 108% 108	107% 108% 109% 109% 12 92 92 92 92 92 92 92 92 92 92 92 95 96 97 96 97	98 98 99 1/2 110 112 1/2	97¼ 99 96% 99% 110¼ 114 76 76 99½ 99½ 85½ 88½ 85 87% 65 66 96¾ 96¾ 97 98	98 % 89 % 105 106 92 97 ½ 96 97 ½ 97 ½ 98 ½ 114 ½ 93 ½ 93 ½ 93 ½ 98 % 98 % 97 ½ 97 ½ 84 87 83 85 96 99 99	89\( \) 89\( \) 89\( \) 92\( \) 94\( \) 92\( \) 94\( \) 94\( \) 93\( \) 2\( \) 93\( \) 2\( \) 93\( \) 2\( \) 88\( \) 93\( \) 2\( \) 85\( \) 64\( \) 2\( \) 65\( \) 93\( \) 95\( \) 2\( \) 97\( \) 2\( \) 98\( \) 98\( \) 98\( \) 98\( \) 98\( \) 98\( \)	103 % 105 % 93 94 94 94 110 % 112 % 93 ½ 98 ½ 98 ½ 98 ½ 95 ½ 95 ½ 95 ½ 95 ½ 95	104 1/4 106 1/4 92 % 94 96 110 115 1/2 97 3/4 97 3/4 97 3/4 96 1/2 96 1/4 97 1/2 96 1/4 97 1/2 96 1/4 97 1/2 102 102	91 104 105 14 91 93 12 94 34 96 111 14 118 91 14 91 14 97 36 97 36 97 36 97 36 97 36 90 14 86 88 87 18 90 14 86 96 36 92 36 96 96 36 92 36 96 96 36 92 36 96 96 36 92 36 96 96 96 96 92 36 96 96 96 92 36 96 96 96 92 36 96 96 96 92 96 9
1st general 4½s series D.   1977	103½ 104½ 96¼ 99 95 97½	97½ 99 173½ 173½ 97% 98 993 93 97 98½	97% 99 98% 99% 174 174 94% 94% 95% 98%	92% 92% 95% 95 95 95 95 95 95 95 95 95 95 95 95 95	107% 110 103¼ 104¾ 99¼ 101 100 100% 	93% 93% 108 110 104 105 99% 101 100 101% 	106 109¼ 100¼ 105⅓ 99½ 100¼ 100 101½ 111 111 170 96% 96% 98¼ 99 98 99½ 102 106¾	98½ 100 97¼ 99¾ 100 100½ 90 94½ 97½ 98 91 91	102½ 106 96 98½ 94 98 	105½ 107½ 98¾ 98¾ 98¾ 98¾ 98 92 94 95½ 100¾ 100¾ 100¾ 100¾ 100¾ 100¾ 100¾ 100	95 96¼ 	109 1/4 112 1/4 977/9 98 7/6 94 1/2 106 1/2 106 1/2 106 1/2 167 169 88 3/4 89 1/4 78 3/4 78 3/4 89 9/6 90 1/2 92 93 103 1/2 104 3/4
Radio Corp of America	92 98 67½ 70½ 89 91¼	93% 95% 67 70%		95½ 97¾ 93¾ 95¾ 67¼ 69½ 95 95½	95 <sup>3</sup> / <sub>4</sub> 98 <sup>1</sup> / <sub>2</sub> 68 <sup>1</sup> / <sub>2</sub> 70	97½ 97% 96¼ 98½ 70 72½ 93½ 95 88 88	96 981/2	92% 97½ 74 74%		93 93 92 100½ 68½ 70 90¾ 91½ 86 90	70 70	93% 94% 100½ 110½ 70 70¼ 87 87
### Rhine-Westphalia Elec Power Corp—  Direct mortgage 7s	85 1/2 85 1/2 82 1/2 82 1/2 79 1/4 82 1/2		84% 86	B4½ 86½ 109% 111¼	182 182 182 182 182 182 	182 185 94 94 8834 8834 8834 8934 11634 12934		92½ 92½ 92 95 122 136	99¼ 99¼ 96¾ 96¾ 95 95 121¾ 130¼	96½ 96½ 94½ 95½ 94 96	97% 97%	97% 98½ 94½ 94½ 90¼ 93½ 137 155½

BONDS	January Lew High	February March Low High Low High	April May Low High Low High	June July Aug Low High Low High Low	est September October High Low High Low High	November December Low High Low High
Rochester Gas & Electric Corp— General mtge 4½s series D1977 General mtge 3½s series J1969		94 941/2 931/4 941/2	9614 9614 9614 9614	0014 0014 0014 0014 0014 0014		
Rohr Aircraft Corp— 1977 Royal McBee Corp— 6/4s conv subord debentures—1977 Royal McBee Corp— 1977	93% 101	971/2 101 98 1011/4	96½ 96½ 96¼ 96½ 98½ 103¾ 102 107	96½ 96½ 96½ 98½ 94½ 104% 107½ 104% 110¾ 106	109 107 109% 106 120%	4 116 132 121 136
61/48 conv subord necentures1977  S  Saguenay Power 38 ser A1971	10072 11072	1071/2 112 1071/4 110	1071/2 1111/4 1091/4 111	109% 114 111 113% 111	113 111% 113% 113% 120	115% 118% 117% 120%
2nd gold 6s1996	711/2 711/2	72 72 70 70%	65 65 = =	= = = = 20%	70% 70 70 69 71% 66 66	70 72 70 71
1st mtge 4s series A 2022 2nd mtge 4½s series A 2022 1st mortgage 4s series B 1980 5s trooms debs series A 2006	72½ 76½ 58¾ 64 50 59¼	73¼ 75 69 73½ 57 64 56½ 61% 52 58½ 51 54%	68 1/6 74 % 74 79 1/4 x56 1/6 64 1/6 63 1/6 66 52 3/4 59 1/6 x56 1/4 61	771/2 791/4 741/4 781/4 71 651/3 69 631/3 661/2 68 80 80 81 81 — 601/4 631/2 591/2 61 601/4	751/4 72 741/4 72 741/701/5 671/4 731/4 701/4 731/4 701/4 731/4 631/4 69 681/4 711/4	4 73½ 76 73½ 76 6 74 76½ 71½ 78½ 4 x86¾ 69¾ 69¼ 70¼
St Louis Southwestern RR 1st 4s1989 2nd gold 4s inc bond ctfsNov 1989 St Paul & Duluth cons 4s1968 St Paul Union Denot 3%s "B"1971	98 100	100 100 98 98  90 91	97 98 97 98½ 97% 97%	98½ 101½ 98¾ 98¾ 93 98¼ 98¼ — 85 85	95 87 89 88% 88%	85 85 85 85 40 ·
Scioto V & N E 1st gold 4s1969 Scott Paper Co 3s conv debs1971 Scotill Mfg 434s debentures1982	96 96 97¼ 101¼	99% 99% 97 97 98½ 100¼ 99 100½ 103¼ 103¼	103 103 101 101 104 104 104 104 104 104 104 104	103 1051/2 1023/6 1051/6 1021/4		93 96
Seaboard Air Lines RR—  1st mtge 3s series B 1980  3%s debentures 1977  Seagrams (Jos E) Sons 2½s debs 1966	77 77 90 90	78 78 89 89 89 89 90 90	82 82 81 82 92 92	81 81 81 81 92 92 92½ 92½ 89	- 81 81 81 81 81 - 90 % - 91 91 - 89 89	81 81 90% 80% 88% 88%
3s debentures	106 108½ 101½ 102¼	106½ 107 103¾ 105¾ 101½ 104 104 105%	105 106 106% 107% 105 105 105% 104 105	103% 104% 103 104% 98	105 100% 103 102% 105 103 97% 100 99% 102	
6s debentures 1982 Sears Roebuck & Co 434s 1983 Service Pipe Line 3.20s 1982 Shamrock Oil & Gas Corp—	93 93	109 111 108½ 111 95 95 96 96	109½ 110¾ 109½ 110%	95 95% = = =	109% 103 106 104 107	105% 106% 106 106 86% 89%
5148 conv subord debentures 1982 Shell Union Oil 2128 1971 Slemens & Halske 6128 1951 Binclair Oil Corp	105 <sup>1</sup> / <sub>4</sub> 108 <sup>3</sup> / <sub>4</sub> 90 91 <sup>1</sup> / <sub>2</sub>	10834 11034 10934 11256 8932 9136 89 91	112 114 112% 115 91½ 93½ 92 94	1141/4 117 116 1183/4 1131/4 911/2 931/2 90 921/6 86	5 120% 114% 117% 114% 124 90% 84 86% 85% 87	121 130 123 132 86½ 87% 86¾ 88
4%s conv subord debentures 1986 skelly Oil 2%4s debentures 1965 smith-Corona Inc		107% 109 108 110%	109 110% 109¼ 111½ 96 96 96 96½ 96½ 106% 111 109% 110%	110 ¼ 114 ½ 111 ¾ 115 108 ¾ 98 ½ 98 ½ 99 99 ½ 110 114 ½ 111 113 ¼ 112	4 114 107% 112% 111% 114 99 99 98% 98 117 112% 124 118% 130	% 99 99 97% 98%
6s conv subord debentures 1978 Socony-Vacuum Oil 2½s 1976 South & North Alabama gtd 5s 1963 Southern Bell Tel & Tel	8774 91	871/2 891/2 871/2 881/4	87% 88% 87% 89%	88½ 90¾ 88½ 89¼ 81 100½ 100½ — — — —	89¼ 79¼ 80¼ 80 82 102 102 102 102	% 81 1/4 83 1/2 84 /4 84
3s debentures 1979 234s debentures 1985 275s debentures 1987 Southern Calif Edison	84% 86%	91 92 89½ 89% 85½ 87¼ 83 83¼ 85 85	83¾ 86½ 85¼ 86½ - 86½ 86¼	92 93% 93¼ 94½ 91½ 84½ 85 81% 83½ 78½	4 81 77 78% 77 78	771/2 78 761/2 78
3'4s convertible debentures 1970 Southern Indiana Ry 1st m 2%s 1994 Southern Natural Gas Go— 4'5s conv debentures 1973	55 57	118¾ 120½ 120 127¾ 57 58 57 59½ 121½ 128½ 123¼ 128		60% 60% 60% 60% 60%	4 132% 125¼ 130% 127¼ 128 6 60% 60% 60% 61% 62 4 130¼ 126% 129 128 136	
Called bonds (Aug 25) Southern Pacific Co— 1st 41/2s (Oregon Lines) ser A_1977	93% 99	94¼ 100½ 94¼ 95 93¼ 97¼ 93¾ 95¾	941/8 953/4 941/4 97	127½ 130½ 94½ 98½ 95½ 98½ 92 97% 99% 98% 99¾ 93	97% 91% 95 92% 95 99% 93 96 94% 97	% 93% 95% -94% 97
Gold 4½s 1969 Gold 4½s 1981 San Francisco Term 3¾s ser A 1975 Southern Pacific RR Co	86 89 83½ 83½	87 91 861/2 891/	87 90½ 89 92% 84¼ 84½	92 95% 93¼ 95¼ 88	93% 88% 90% 89% 91 84% 84 84 84 84	90 93 91% 94
1st mtge 2%s series E 1996 1st mtge 2%s series F 1996 1st mtge 2½s series G 1961 1st mtge 5½s series H 1983	941/2 941/2	71 71¼ 71½ 71½ 67 68 67 69 94% 94% 94¾ 94¾ 94¾ 105 105% 104½ 106	65 65% 65% 671/2	72% 72% 71 71	4 63% 61% 63% 61% 61 96 96% 96 96 5 105% 104% 105% 102 105	103% 106
1st page & coll tr 4½s1988 Memphis Div 1st gold 5s1996	10774 114	113 114 109 113 99½ 100½ 100½ 100½	107 110 107½ 110¼ 103 103 = = =	107 112 109 111 105 104½ 104½ 103 103 100	½ 101½	6% 106½ 108 107% 108% 99 99 99 99 8% 99% 99%
New Orleans & Northwestern RR   1977   1977   Southwestern Bell Tel 23/4s   1985   31/4s debentures   1985   198	85 871/4	90 91	00 05	83 ½ 84 ¾ 81 84 79 91 91	80 75 76 76 76 95 931/4 96 93 99	5 85 85
Spokane International 4½s2013 Standard Coil Products Co— 5s conv subord debentures1967 Standard Oil of Calif 4½s debs1983	78% 89%		89 93½ 90½ 94½	92 93 93¼ 99½ 97	101 95 100 95% 116 102 103	9 116 165 1361/4 160
Standard Oil Co (Indiana)   1983   1984   1985   1985   1985   1987	2 101½ 106	104½ 109 104½ 109 88 89% 87½ 883	106½ 108½ 107½ 112¼ 4 88% 90% 90½ 92	8734 911/2 87 89 83		1% 104 104% 102 104¼ 5 83% 85 83 84%
23/4s debentures	90 90½ 107% 107½	91 92½ 89¾ 91¾ 107½ 107½ 107 1073	91% 93 92 93½ 6 106% 107 107% 107¼	91 93 90½ 91 86 102 105¾ 105 105¾ 103 102% 103 102½ 103 101	103 981/4 102 99 10	5½ 85½ 86% 85¾ 86¾ 0½ 100½ 101 101 101 9½ 98½ 98½ —
Stauffer Chem 3%s debentures 197: Sunray Oil 2%s debs 196: Superior Oil Co 3%s debentures 198: Surface Transit Inc 1st mtge 6s 197:	6 94% 94% 1 97 99 1 81% 83%	98% 98% 97½ 983 83½ 86 86 88	4 98 99 1/6 98 1/2 99 1/6 88 1/2 90 1/2 87 1/2 89 3/6	97 97 96½ 96½ 95 99½ 100 97 100 93 87 88 87½ 89% 85	1/4     96 1/2       95 1/2     93     93       94     87     86 1/8       87     85 3/4     86	3¼ 91% 94 92% 93% 6% 85% 88 87 90
Swift & Co 2563 debentures197: 2%s debentures197: Sylvania Electric Product— 4½ conv subord debs198:	3	851/2 90% 86 86	87 88 88 90½ 94½ 94½ 95 95½ 104¼ 107	104% 107% 105 109% 108	97%	5½ 85 85 90½ 90½ 5¾ 125 138 130 147
Terminal Assn of St Louis—		90 90 901/ 001/	89½ 90 89¾ 90	89% 89% 90% 90%		5 86 88
Ref & Improvement 4s series C_201 Ref improvement 2%s series D_198 Texas Co 3 <sup>5</sup> s198 Texas Corp 35196	5 87½ 87½ 5 98¾ 100½	98% 100 981/2 99	85 85 84 84 % 99 101 9834 101	84 84 84 84 97 92 95 96 96 97 98 98 97 98 98 98 98 98 98 98 98 98 98 98 98 98	991/2 94 971/2 941/4 9	3½ 92½ 94½ 91% 93¾ 8¾ 97 98¾ 94 97%
Texas New Orleans 3 4s series B 197 3 4s series C 199 Texas & Pacific 1st gold 5s 200 Gen & ref mtge 3 4s series E 198	0 85 85 0 74 % 76 0 110 ½ 110 ½	75 76½ 72 73 110 110 110 110 110 85½ 86¼ 85 86	83 83¾ 84⅓ 85 72½ 73 72 72⅓ 108½ 110 109 109 82 85 82 84	85 86 85 86 85 8 85 4 85 72 72 96 72 72 75 72 72 72 72 72 72 72 72 72 72 72 72 72	73% 72% 73 73 7 110 = 104% 10 83 80 80 78 8	5½ 105% 105% 105% 106 0% 80% 82½ 82 84%
Texas Pac-Mo Pac Ter 3%s197 Thompson Products Inc— 47ss subord debentures198	4	77 77	77% 77% 81 81 108% 110 108% 111	109½ 113% 113½ 118 113	% 118% 111% 117% 113 11	8 1171/2 121 117% 125
Tide Water Associated Oil Corp— 3½s sinking fund debentures—198 Toledo & Ohio Central 3¾s——196 Tri-Continental Corp 2%s——196	0 94 94	93 % 94 93 94 94 % 94 % 92 % 92 4 — 97 % 97	921/2 921/2 88 88		1/2 921/2 93% 94 94% 9	6½ 83% 86 83 83 4¼ 94% 95 95% 96% 6½ 95% 95¼ 96 96
Union Electric of Missouri 3%s_197 1st mtge & coli trust 2%s197	5 89 90	891/4 891/4 871/4 87	99 100½ 99½ 100½ ¼ 89 89 88 88 033½ 93%	89 89 84	1/2 84 1/2 80 80 1/4 81 1/8 8	4½ 94½ 95 95¾ 96 11½ 81½ 81½ 82 82 12 92 92
3s debentures 196 1st mige & coll trust 2%s 198 1st mige & coll trust 3%s 198 Union Oil (Cal) 2%s debentures 197	92½ 92¾ 90 51¾ 94	93 93% 90% 94% 93 93	93 93 93 93 93 93 93 93 93 93 93 93 93 9		051/ 051/ 04 0	434 83% 85% 84% 86% 44 84 84 84% 86
27/48 debentures197	76 84¼ 87¼ 11 77¼ 80¼	6 8614 871/2 861/4 86		7834 80 7734 80 75		14 84 84 84 87 13 72 75 72 72% 19% 98% 98% 99% 100%
Union Tank Car 4½s s f debs 197 United Artists Corp 6s conv subord debentures 196 United Biscuit 2¾s debentures 196	89 83 1/4 94	92½ 97 93 100 90 90 91 91	97 % 111 104 ½ 1103 95 95 95 96 9014 9214	1 105 <sup>3</sup> / <sub>4</sub> 113 <sup>3</sup> / <sub>6</sub> 106 110 <sup>3</sup> / <sub>6</sub> 109 2 95 95 <sup>3</sup> / <sub>9</sub> 95 95 <sup>3</sup> / <sub>2</sub> 95	114% 107% 115 110% 12 5 95 95 95 91% 9	
United Gas Corp 2348 19' 1st mtge & coll trust 3768 19' 1st mortgage & coll tr 214's 19'	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	6	92½ 92½ 97¼ 99¼ 99½ 99¾ 98 99 97% 98⅓	89 1001/2 991/4 1001/2 90	01/4 96% 91 91 90%	92 ½ 92 93 91 98 % 92 91 92 89 ½ 91 %
18t mtge & coll trust 3%s19' 4%s s f debs19' 334s s f debentures19'	75 72 102 1/8 103 1 73 —	4 100% 103 101% 102	100 1021/2 102 1023	100 101% 100% 101¼ 99 95 95 104½ 104¾ 104¾ 104% 104% 100	7% 100% 97% 100% 97 9 1 104% 101 104% 100% 10	944 964 934 966 99 1004 1004 1014
1st mtge & coll tr 4½s 19° 1st mtge & coll tr 4½s 19° 45's sink fd debentures 19° S Rubber 25's debentures 19°	78 78 76 82½ 83⅓		84 8434 88 90	104 104½ 102¼ 104½ 100 100% 101% 90 90½ 90½	0½ 102% 98% 99% 97% 9 8% 101% 98 99% 98% 10	99% 99¼ 101 99 101 11½ 99% 101¾ 99 100¼ 35 80% 80% 81% 51%
United States Steel Corp— 4s sink fund debs 196	83		93% 93%		7 102% 95% 99% 97% 9	
NOTE: All bond footnotes shown	on page 28					

BONDS	January Low Hig		ebruary w High	Low			pril High		lay High		High	Low	High	Low	ust High		High	Low	High		-High	Low	
ted Steel Works Corp-	10000 m																DE DE		Tally.	2 24	1-26.5	24	
%s cinking fund deb series A_1947 314s assented1947	-										-			-	000	000	900	-	1	100000	1	-	100
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s sinking fund mtge ser C_1951		211	:	12.00	777	1			T 1	21 71	10 m	1	IL I		Take		207 2 1	-			03	-	
1/4s assented1951 rticipating certificates 47/ss1968	88 88		921/4	89%	90	881/2	89%	90	9034	90	921/4	92%	92%	92%	94	92%	94	941/2	953/4	931/4	9514	911/0	
dium Corp of America 3%s_1969	97 97	TARREST OF THE PARTY.	2076			-		105	105			1061/2	114	_			-	112	112 .	111	111	111	1
s conv subord debentures1976	831/2 96		98	89	941/4	89	94	93	97	94%	993/4	951/2	981/4	971/2	99	971/2	99	94	98	98	1031/2	102	20
ain Elec & Power— & re! mtge 2%s series E_1978	87% 90	1/4 90	1/4 90%	88	90%	88	90%	881/2	911/2	891/4	90	87	88			1	17-1	82	82 .	823/4	83%	82	
& refunding 3s series F 1978			-	-	-		-				D 8	0			il man	-	-			83 1/8	831/4	77	
ref mtge 234s ser G 1979 ref mtge 234s ser H 1980		1		84	84			-				-	1	-	-		-			94	954		
ref mtge 3788 series I		ALL BOTTOM SERVICE CONTRACTOR	A			-	-	-	21		1	-	17 - 15 m				-	and the same of	I	84 84½	85 1/2 86	85 85	
ref mige 31/4s series J1982 in & Southwest 1st gtd 5s2003	99 99				99				-	100	100%	100	100		-	-	3_	-		97	97	97	
consolidated 6s 1968 ian Ry 3s series B 1995	9945 100 83 86				99% 861/4	86	861/4	86	861/4	86	861/2	84	851/4	841/2	85	841/2	85	84	84	82	831/4	831/4	1
Hen & ref M 31/48 ser C_1973	- BO	80			00 74			901/8	901	-	5072	901/8	901/8	911/4	911/4	941/4				-	V. Barrier		1
ubord income debentures2008	-	12.55	THE RESERVE OF	1					-	-	-	99	100	99	99		ST II		-	1001/2	1001/2	1111/2	V
h-RR-			TOTAL CO				182 - E	1	ost of	45 60	75 ALG		ME S	2 2	115 615			1		1000			1
eral mortgage 4s series A1981	64 64				64	631/4	641/2	661/4	66%	6434	67%	64	65	651/8		643/4	65 1/8	66	681/4	66 66	671/2	71 69	
eral mortgage 4½s ser B1991 ntge 3½s series B1971	65 1/2 66			122	67	801/8	801/4	651/2	817	811/2	821/4	811/2	- 811/2 -	- 811/2	81 1/2	811/2	811/2	80.	801/2	80	80	801/2	1
n RR 1st & rel gtd 31/282000	50 50			-		50	53%	531/2	531/2	51	51	- 51	51	50 81	50 81	501/4	501/4	501/4	501/4		-	50 80	Ħ
ngton Terminal 2%s ser A1970 nester Lighting 3½s1967	993/4 101	100	1/2 1023/4	1001/2 1	102	101%	102%	102	10234	101	102	10034	102		1003/4	99	100	971/4	981/2	97%	98%	961/2	2
mtge 3s gtd1979 Penn Electric 3½s1974	-	91	_				-	93 1/8	931/6	93 1/8	-	9314	933%	-	0 50 20 20	-	-	89	91	91	91	-	1
Penn Power 31/2s series I1966	991/2 102	34 101	1/2 1023/4		1021/4		1021/2	1021/4	103	102	103	101 1/2	10234	991/2	101%		1001/4	97%	100	571/2	981/2	971/2	
Shore 1st 4s guaranteed2361 egistered2361	52 57	52	54	48	51 1/2	48 461/a	53	48%		50 48%	53 <sup>1</sup> / <sub>4</sub> 52	501/4	53%	511/2	541/2	52 51%	561/2	54 53%	56½ 55¾	541/2	58 57½	54 1/8 54 3/4	
n Maryland Ry Co-						70	10		200											70.000			M
eries A1969 mortgage 3½s series C1979	92% 96		1/4 97	93%	971/2	94	97	961/2	971/2	97 9134	993/4	98½ 1	1001/2	981/2	100	9634	99	9634		961/4	9734	9614	
debentures1982	1001/4 102	1000	34 103		1031/4	1021/4	103	10234	103	103%				10234	1041/2	100	104		1041/2			1041/2	
n Pacific RR 3%s ser A1981 nc debentures1984	88 88	87	1/2 88		78 84%	84	89	86	90	8734	891/a	903%	90%	903%	91	91%	953/4	94 1/0	95	95	953a	95	ij
ghouse Electric 25681971		077			871/2	01			12.44	91	92	8		90	90	90	90	88	88			20	
halia United Electric Power— mortgage 6s————————————————————————————————————	1 / CE	100	1		11/45		4 117	2	2/8	7 3					-		5 49	100					
ng & Lake Erie RR-	TO THE	ALESS.	THE POST	12/4	E . S	10 2/1	26 , 12	1 12	OTT PART	ST. Comment	\$1 A78	JA T	12 44	12 - 14	27 2 6	1	500 150	1 300	1	A POP	100		
ng Steel 1st series 3 4s C_1970	95 96	92	94	901/2	921/2	90	911/2	911/4	931/4	931/2	961/2	94%	96%	9434	94%	921/2	921/2	90	91	90	. 91	8934	
mortgage 31/4s series D1967	92 92	94	94	941/2	95	94	94	94	94	-		97	97	97	97		-	93	93	931/4	931/4	92	
conv debentures1975	88 05	1/2 92	1/2 951/4	921/2	9434	911/4	931/2	921/2	9434	9334	97	941/2	99	96%	991/2	98	104%	103	108	103	1071/2	103%	1
sinking fund debentures1980	9914 99	91			91%	91	921/2		1	921/2	921/2	921/2	921/2	002/	003/	001/	200	81	81	001	00	81	
n-Salem S B 1st 4s1960	991/2 100		17 99%		9934	101	101	11 T 14	I	-	-	101	101	9834	99%	981/2	99	971/2	98	961/2	98 99	98	
mortgage 4s series A2004		100				FILE	25 1 37 4/6		AND SOLE		691/	1777		60	619/	E03/	60						
gen mige inc 4 1/2s series A_2029	56½ 64 62 66		611/2	561/2	59	58 53	61	58	62 56	621/4	631/2	58% 43	63	60	613/4	583/4	45	59% 46%	64 52	631/2	65 52	63 ½ 52 %	
isin Electric Power 25/481976 t mortgage 27/481979	-	86	86 -	-	-	83	83 -	831/2	- 843/4	841/4		-			-		-		-			79	3
nsin Public Service 31/451971	941/2 94	1/2 94	1/2 941/2	94%	951/6	951/2	96	971/2	98	971/2	971/2	961/2	971/2	91	94	88	88	881/2	90	90	911/2	941/2	
ers Electric Light & Power-	1.63	KVI .	TO THE	6. 19	5 51	KIT Y	THE PARTY				19.12		1 10	100	1 5 1		3 5	E E . C. C.					1
1976	-		-	-	-			82	82	THE LOUISING	Charles Co.	Value Value					1 - 18 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -			761/2	761/2		

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